

I had heard of the Jewish Board of Guardians and how it had solved the problems of delinquency and crime among youths of the Jewish faith. I spoke to its president and my good friend—here tonight—Mr. Philip Helmick, and I received the most wonderful cooperation enabling me to form a charter based on the model given to me by the Jewish Board of Guardians.

Soon we had our own court officers and truant officers who could understand the Italian language, win the confidence of the parents, and with proper knowledge of the family situation finally win the confidence of the delinquent boy himself. Thus, we were able to present a true picture to the judge or to the school authorities, making it possible for the boy to be placed in our care instead of an institutional home or prison.

The results, as I have said, have been almost miraculous. The calendars of our criminal and children's courts are no longer congested with names ending in a vowel. Indeed, the Italo-Americans have come into their own. The fear of future Costellos or Lucky Lucianos no longer exists.

But more than helping Italo-Americans, the Italian Board of Guardians has contributed to a better America, as did the Irish, the Poles, the Germans and the people of the Jewish faith before them. To unite the country further and to make an invincible America, we must with equal fairness and justice deal with our fellow citizens from Puerto Rico and the Negroes. In furtherance of this, I was happy to lend a copy of the charter of the Italian Board of Guardians to some of my Puerto Rican friends some years ago, and today there is in existence a Puerto Rican Board of Guardians. I predict that in a very short time the Puerto Ricans will make an even more valuable contribution to the welfare of our city, State, and Nation.

The Negro situation looms now foremost on the American horizon. It cannot be handled superficially. We must recognize once and for all that anywhere in these United States they are entitled to the same

pursuit of life, liberty, and happiness, and the equal protection of our laws.

I can never forget Richard Wright's book about the colored boy in the slums who, looking up at the airplane in the sky, muttered: "Fly that plane, white boy, fly that plane." He knew it was a white boy flying that plane and he knew too that it could never be him, no matter how much he wanted it. That is the trouble today. The Negro feels trapped and feels that he has to fight back—fight everybody.

But I can assure you that they cannot and will not be held down much longer. Negro education and Negro culture have soared. The educated and the cultured are beginning to take care of their own and soon the colored people will assume their proper responsibilities and further enrich the society in which we live.

Nations, just like people, have found it difficult to live together. In the last 2,000 years the world has gained much knowledge, but when we observe the direction in which mankind is headed I am sorry to say that it has gained very little wisdom. Our tremendous progress in the field of science has brought the world to a situation where we are faced with the choice of total destruction or a world of peace and abundance for all.

We cannot lose this struggle if we recognize that the real strength of America lies in its many national and racial strains. These blended together have made the United States, the youngest of Western nations, the strongest country in the world. Further understanding will make it invincible in the future.

Regardless of all the dire prognostications about mankind and its survival in the future, I am optimistic concerning man's ability to extricate himself from the present dilemma in the world and to face a glorious future of peace and abundance for all. We need but to look to our faith in God for encouragement and hope. We can find different messages of hope expressed differently by each of our major faiths or by the prophets of these faiths, but in essence all

these messages stem from the one God that is the Creator and Father of all humanity.

In Isaiah (ch. LIV, verse 17), for example, we find this very encouraging prophecy for the future of mankind:

"No weapon that is formed against thee shall prosper * * *"

In St. Matthew (ch. XVI, verse 18), we find this prophecy:

"And I say also unto thee, That thou art Peter, and upon this rock I will build my church; and the gates of hell shall not prevail against it."

And from a modern-day Protestant religious leader, D. L. Moody, I quote this observation:

"I think it would take the wrinkles out of your brow if you would just look into the future, instead of into the past. There are two kinds of people—some that live on the past, and some that live on the future. You never saw a person living upon the past all the time, and always talking about the past, that did not have a great many wrinkles on his brow."

I am confident that these messages from God and the interpretations of the words of God will someday bring out the best in men and women everywhere and cause peoples all over the world to unite for the betterment and the glory of all mankind, no matter what their religious beliefs. God's message of peace on earth will eventually reach all peoples and will unite this world of ours as it has never been united before.

Thus, united, mankind can conquer space, settle other planets, and eventually bring back to earth presently unimaginable resources to create a world of abundance—making war in the future unthinkable and unnecessary.

My friends, will you please rise with me and together let us toast the future. May we, with the help of God, pass through these days of turmoil, which hold the threat of atomic bombs and missiles over our heads and give us neither peace nor rest. May we be privileged to live and to see some of the wonders that a united world can bring to all mankind.

SENATE

MONDAY, FEBRUARY 12, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father who art in heaven, and in the earth, and in the hearts of men, hallowed be Thy name. In this opening moment of a new week's council concerning the future of the Nation and of the world, may those here chosen to speak for the Republic, with such responsibilities committed to their hands, draw near unto Thee in humility and sincerity. Reveal unto them, we pray, the means Thou wouldst have them use to establish justice and peace among men in all the earth.

May those who here serve the people be wise interpreters of the signs of the times and brave spokesmen of Thy will and of Thy truth which sets men free from ancient wrongs. Out of the chaos of our time, may there come the kingdom of which Thy prophets have dreamed in every age.

Enable each of us in the places where we stand to live greatly in a world so grave, as we are granted light enough for the next step.

In the Redeemer's name we pray. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 8, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, informed the Senate that, pursuant to the provisions of section 1, Public Law 86-42, the Speaker had appointed Mr. DULSKI, of New York, Mr. PHILBIN, of Massachusetts, Mr. MURPHY, of Illinois, Mr. DONOHUE, of Massachusetts, Mr. GIAIMO, of Connecticut, Mr.

CUNNINGHAM, of Nebraska, Mr. TUPPER, of Maine, and Mr. ROBISON, of New York as additional members of the U.S. delegation of the Canada-United States Interparliamentary Group for the meeting to be held in Ottawa, Canada, from February 28 to March 4, 1962, on the part of the House.

ENROLLED BILLS SIGNED

The message announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 4876. An act for the relief of Mary C. Atkinson;

H.R. 5181 An act to amend Private Law 85-699;

H.R. 5324. An act for the relief of Doctor Serafin T. Ortiz;

H.R. 6013. An act for the relief of the Houston Belt & Terminal Railway Co.;

H.R. 7473. An act for the relief of Albert R. Serpa; and

H.R. 8325 An act for the relief of Harrison Thomas Harper.

CALL OF THE CALENDAR DISPENSED WITH

On request of Mr. MANSFIELD, and by unanimous consent, the call of the legislative calendar was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in connection with the morning hour be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. MANSFIELD (for Mr. EASTLAND), from the Committee on the Judiciary:

Alexander Greenfeld, of Delaware, to be U.S. attorney for the district of Delaware; and

Harry M. Miller, of Kentucky, to be U.S. marshal for the western district of Kentucky.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

INTERSTATE COMMERCE COMMISSIONER

The Chief Clerk read the nomination of Kenneth H. Tuggle, of Kentucky, to be Interstate Commerce Commissioner for a term of 7 years expiring December 31, 1968.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

U.S. COAST GUARD

The Chief Clerk proceeded to read sundry nominations in the U.S. Coast Guard.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

FEDERAL MARITIME COMMISSION

The Chief Clerk proceeded to read sundry nominations in the Federal Maritime Commission.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

U.S. ARMY

The Chief Clerk read the nomination of Lt. Gen. Earle Gilmore Wheeler, Army of the United States (major general, U.S. Army) to be general.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

BUREAU OF YARDS AND DOCKS

The Chief Clerk read the nomination of Rear Adm. Peter Corradi, Civil Engineer Corps, U.S. Navy, to be Chief of the Bureau of Yards and Docks in the Department of the Navy for a term of 4 years.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

U.S. NAVY

The Chief Clerk proceeded to read sundry nominations in the Navy.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

U.S. ARMY—NOMINATIONS PLACED ON THE SECRETARY'S DESK

The Chief Clerk proceeded to read sundry nominations in the U.S. Army which had been received by the Senate and placed on the Secretary's desk, and appeared in the CONGRESSIONAL RECORD on January 25, 1962.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF FEDERAL CIVIL DEFENSE ACT OF 1950, RELATING TO CONSTRUCTION OR MODIFICATION OF APPROVED PUBLIC SHELTER SPACE

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to further amend section 201 of the Federal Civil Defense Act of 1950, as amended, to authorize payment toward the construction or modification of approved public shelter space, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

REPORT ON PROVISION OF WAR RISK INSURANCE AND CERTAIN MARINE AND LIABILITY INSURANCE FOR THE AMERICAN PUBLIC

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the provision of war risk insurance and certain marine and liability insurance for the American public, as of December 31, 1961 (with an accompanying report); to the Committee on Commerce.

REPORT ON REVIEW OF SUPPLY MANAGEMENT OF SHIP REPAIR PARTS BY SHIPS PARTS CONTROL CENTER, MECHANICSBURG, PA.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of the supply management of ship repair parts by the Ships Parts Control Center, Mechanicsburg, Pa., Department of the Navy, dated February 1962 (with an accompanying report); to the Committee on Government Operations.

CHANGE OF NAME OF PETERSBURG NATIONAL MILITARY PARK

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to change the name of the Petersburg National Military Park, to provide for acquisition of a portion of the Five Forks Battlefield, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of Kansas; to the Committee on Appropriations:

"HOUSE CONCURRENT RESOLUTION 22

"Concurrent resolution memorializing the Congress of the United States in regard to legislation pertaining to the agricultural conservation program

"Whereas the ever-increasing demands for effective soil and water conservation impose a major responsibility on Kansas farmers; and

"Whereas watershed development in the State of Kansas involves accelerated conservation work; and

"Whereas the farmers of Kansas have demonstrated a willingness to spend more of their own time and money for conservation of soil and water in the public interest; and

"Whereas, for the past 14 years, the Federal appropriation for agricultural conservation work on a cost-sharing basis has remained at \$250 million; and

"Whereas before the end of the year 1961 more than 60 counties in the State of Kansas were using advance allocations of funds appropriated for the year 1962; and

"Whereas in the State of Kansas these funds have consistently been used for fundamental and permanent conservation activities such as terraces, waterways, restoration of native grasses and other projects and practices of enduring value; and

"Whereas some States do not use their full allocation of the Federal funds, commonly known as agricultural conservation program money; Now, therefore, be it

"Resolved by the House of Representatives of the State of Kansas (the Senate concurring therein), That we respectfully urge and request the Congress of the United States to maintain the appropriation of agricultural conservation program funds at no less than \$250 million per annum; and be it further

"Resolved, That we respectfully urge and request the Congress of the United States to amend the basic agricultural conservation program law so as to permit unused funds in any State to be reallocated to States which demonstrate a need for additional funds for permanent conservation work; and be it further

"Resolved That the secretary of state be instructed to transmit an enrolled copy of this resolution to the President of the United States, to the Vice President of the United States, the Speaker of the House of Representatives of the United States, the Secretary of Agriculture of the United States, the chairmen of the committees on appropriations of the Senate and House of Representatives of the United States, and to each member of the Kansas delegation in the Congress of the United States.

"Adopted by the house February 1, 1962.

"ALLEN L. MITCHELL,

"Speaker of the House.

"A. E. ANDERSON,

"Chief Clerk of the House.

"Adopted by the senate February 5, 1962.

"HAROLD H. CHASE,

"President of the Senate.

"RALPH E. ZARKER,

"Secretary of the Senate."

A joint resolution of the Legislature of the State of Arizona; to the Committee on Banking and Currency:

"SENATE JOINT MEMORIAL 1

"Joint memorial requesting the President and the Congress of the United States to authorize the Director of the U.S. Mint to issue a commemorative half dollar coin commemorating the State of Arizona's 50th year of statehood

"To the President and the Congress of the United States of America:

"Your memorialist respectfully represents:

"On February 14, 1962, the people of the State of Arizona will celebrate the anniversary of 50 years of statehood for Arizona. This semicentennial celebration of Arizona's statehood will continue throughout the year 1962 and the anniversary will undoubtedly be recognized not only within the State but throughout the United States.

"In view of this important and significant semicentennial anniversary of Arizona statehood, the members of the Arizona Legislature believe it appropriate and proper that the President and the Congress of the United States signify its recognition of this important event by authorizing the Director of the Mint to issue a commemorative half-dollar coin so that the whole Nation may join in recognizing Arizona's 50th year of statehood.

"Wherefore your memorialist, the Legislature of the State of Arizona, prays:

"That the President and the Congress of the United States of America authorize the Director of the Mint to issue a commemorative half-dollar coin in honor of Arizona's 50th year of statehood and so that the peo-

ple of the whole Nation may join hands in honoring this significant event."

A concurrent resolution of the Legislature of the State of Kansas; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION 12

"Concurrent resolution relating to Federal income taxation of the interest derived from public bonds

"Whereas the State of Kansas and the political subdivisions thereof have in the past and are now currently engaged in financing, through the issuance of bonds, needed public improvements such as the building of schools, highways, water and sewer distribution systems, and other projects for the promotion of the health, safety, and welfare of the people; and

"Whereas the interest income which the owner derives from such bonds has in the past and is now currently exempt from the imposition of any Federal income tax; and

"Whereas the Federal taxation of the interest of such bonds, as income, would result in the curtailment of construction of needed public improvements, and would result in either an increase of taxes imposed by the State of Kansas and any political subdivision thereof in order to pay higher interest costs, or the assumption by the Federal Government of the responsibility of financing such improvements; and

"Whereas, there is currently a national movement to permit the imposition of the Federal income tax on the interest income from the bonds issued or to be issued by the several States and their political subdivisions: Now, therefore, be it

"Resolved by the House of Representatives of the State of Kansas (the Senate concurring therein), That the Legislature of the State of Kansas respectfully memorializes the President and the Congress of the United States to oppose any amendment of the Constitution of the United States, or any other action by the Congress of the United States, or the executive branch thereof, which would have the effect of subjecting the income from State and local bonds to a Federal tax or to cause the tax to be increased because of such bondholdings by a taxpayer whether or not the increase is in fact titled a tax; and be it further

"Resolved, That the secretary of state is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from Kansas in the Congress of the United States.

"Adopted by the house January 25, 1962.

"ALLEN L. MITCHELL,

"Speaker of the House.

"A. E. ANDERSON,

"Chief Clerk of the House.

"Adopted by the senate February 5, 1962.

"HAROLD H. CHASE,

"President of the Senate.

"RALPH E. ZARKER,

"Secretary of the Senate."

A resolution of the General Assembly of the State of Rhode Island; to the Committee on Finance:

"RESOLUTION 26

"Resolution memorializing the President of the United States and the Congress of the United States with respect to Federal income taxation of the interest derived from public bonds

"Whereas the State of Rhode Island and the political subdivisions thereof, have in the past, and are now currently engaged in financing, through the issuance of bonds, needed public improvements such as the building of schools, highways, water and sewer distribution systems, and other projects for the promotion of the health, safety, and welfare of the people; and

"Whereas the interest income which the owner derives from such bonds has in the past and is now currently exempt from the imposition of any Federal income tax; and

"Whereas the Federal taxation of the interest of such bonds, as income, would result in the curtailment of construction of needed public improvements, and would result in either an increase of taxes imposed by the State of Rhode Island and any political subdivision thereof in order to pay higher interest costs, or the assumption by the Federal Government of the responsibility of financing such improvements; and

"Whereas there is currently a national movement to permit the imposition of the Federal income tax on the interest income from the bonds issued or to be issued by the several States and their political subdivisions: Now, therefore, be it

"Resolved, That the General Assembly of the State of Rhode Island respectfully memorializes the President and the Congress of the United States to oppose any amendment of the Constitution of the United States, or any other action by the Congress of the United States, or the executive branch thereof, which would have the effect of subjecting the income from State and local bonds to a Federal tax or to cause the tax to be increased because of such bondholdings by a taxpayer whether or not the increase is in fact titled a tax; and be it further

"Resolved, That the secretary of state is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from Rhode Island in the Congress of the United States."

A concurrent resolution of the Legislature of the State of Pennsylvania; to the Committee on Labor and Public Welfare:

"The military forces and public health agencies of our Nation have a vital and continuous need for medical services. Difficulty has long been experienced in obtaining a sufficient number of medical men to administer proper care to military personnel and their dependents, and to efficiently carry on essential public health services.

"It is therefore deemed highly desirable that a Federal service school to be established in the field of medicine patterned after West Point in the field of Army training, Annapolis in the field of naval training, and the Air Force Academy in the field of aviation, which school would supply a steady flow of trained medical personnel for all of the branches of the service and for conducting our important public health service.

"It is also deemed desirable that such a school be established in a conveniently located medical and hospital center. No better location could possibly be found than Pittsburgh, Pa., which in recent years has become one of the leading medical centers of the United States, and which has a readily accessible central location; Therefore be it

"Resolved (the House of Representatives concurring), That the General Assembly of the Commonwealth of Pennsylvania memorialize the Congress of the United States to establish a Federal medical school in the city of Pittsburgh, Pa.; and be it further

"Resolved, That copies of this resolution be transmitted to the presiding officers of each House of the Congress of the United States and to each Senator and Representative from Pennsylvania in the Congress of the United States.

"JOHN MORGAN DAVIS,

"President of the Senate.

"PAUL C. MOOMAW,

"Secretary of the Senate.

"JOSEPH OMINSKY,

"Chief Clerk, House of Representatives."

A resolution adopted by the district board of the middle district of Pennsylvania of the

Church of the Brethren, at Bellwood, Pa., protesting against nuclear testing; to the Committee on Armed Services.

A resolution adopted by the Miami Shores, Fla., Rotary Club, favoring an investigation of the State Department; to the Committee on Foreign Relations.

A resolution adopted by the Democratic State Central Committee of Michigan, Lansing, Mich., endorsing the program of the President of the United States, in his state of the Union message of January 10, 1962; to the Committee on Labor and Public Welfare.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MONRONEY:

S. 2832. A bill to provide for the erection and maintenance on the island of Wake of a memorial to the members of the American Armed Forces who were killed in the defense of Wake Island during World War II; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MONRONEY when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S. 2833. A bill to confer on the Federal Maritime Board the authority to determine postal rates for ocean mail transportation; and

S. 2834. A bill to provide for the regulation of schedules and certain practices of foreign air carriers in foreign air transportation, and for other purposes; to the Committee on Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. DODD:

S. 2835. A bill for the relief of Mrs. Yang Yin (Yang Chee Hung) nee Tsai Sieu Yoeh;

S. 2836. A bill for the relief of Carmelo Rafala; and

S. 2837. A bill for the relief of Konstantinos P. Theodoropoulos; to the Committee on the Judiciary.

By Mr. FONG:

S. 2838. A bill to modify the project for protection against tidal waves and excessive high tides at Hilo Harbor, Hawaii; to the Committee on Public Works.

(See the remarks of Mr. FONG when he introduced the above bill, which appear under a separate heading.)

By Mr. ALLOTT (for himself and Mr. CARROLL):

S. 2839. A bill to authorize the Administrator of General Services to convey certain lands in the State of Colorado to the city of Denver, Colo.; to the Committee on Government Operations.

WAKE—THE ISLAND THAT MUST NOT BE FORGOTTEN

Mr. MONRONEY. Mr. President, I introduce, for appropriate reference, a bill to provide for the erection and maintenance on the island of Wake of a memorial to the members of the American Armed Forces who were killed in the defense of Wake Island during World War II.

Mr. President, such marking of a hal-
lowed site is long overdue. In the 16 days after Pearl Harbor, a tiny force of Americans in the Marines, the Navy, and the Army held that small V, which is really three islands, against unbelievable attacks. There were only 1,731 Americans on Wake, but the Japanese lost—by their own admission—11 ships,

29 airplanes, and 5,700 men before forcing surrender after a massive landing. We lost 96 brave men and a dozen planes. And how do we mark the place where we gained 16 irreplaceable days? I was there a few years ago and saw the pitiful attempt that has been made. The prop and engine cowl off an F-4F on a pile of coral signals the spot. Two fading wooden signs and a corroding bronze plaque tell part of the story. Certainly the epic chapter of U.S. military history written at Wake deserves a more permanent monument.

Recently the story of Wake and its pitiful monument was told by Jim Downing, of the Tulsa Tribune, in his paper and in a story for the Newspaper Enterprise Association. I ask unanimous consent for his story's inclusion following my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the news article will be printed in the Record.

The bill (S. 2832) to provide for the erection and maintenance on the island of Wake of a memorial to the members of the American Armed Forces who were killed in the defense of Wake Island during World War II, introduced by Mr. MONRONEY, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The article presented by Mr. MONRONEY is as follows:

WAKE—THE ISLAND THAT WE'VE FORGOTTEN
(By Jim Downing)

WAKE ISLAND.—With the rising sun beginning to shed its glow on some unlikely spots in the Far East and incidents sending seismic tremors across the Pacific, the U.S. Navy, early in 1941, decided Wake Island would be a fine place to fix up an airbase.

The Marines, Seabees, and civilian construction crews came in to scrape at the coral, put up some buildings and erect the airbase. The job was half done when, on Monday morning, December 8, 1941, at breakfast, word came that the Japanese had attacked Pearl Harbor, 2,000 miles east across the international dateline where it still was December 7. The 1,731 Americans on Wake knew they had had it.

They had, in fact, until 11:58 a.m. to load up what guns they had, gas up and deploy the dozen fighter planes, dig trenches and generally batten down the hatches.

The Japanese bombers came in low and plastered the place in a personal salute from the Emperor. Sure, they took Wake, finally. But the price paid was fantastic, considering what they got.

For 16 days, the Japanese threw everything they could muster against Maj. James P. S. Devereux' 378 marines, Maj. Paul A. Putman's 60-man marine squadron, Cmdr. W. S. Cunningham's 72 Navy men, Capt. Henry Wilson's handful of Army communications men and Dan Teters' construction gang of 1,146.

In those 16 days, the Japanese lost—by their own admission—11 ships, 29 airplanes, and an incredible 5,700 men, either drowned or shot down or killed in combat.

When Devereux surrendered after a massive landing, our losses were a dozen planes and 96 men.

If you're like me, 20 years later, you get off your trans-Pacific airplane and you feel the goose pimples, a lump in the throat, a sting in the eye. Wake Island—"the enemy has landed and the situation is in doubt." That was Cunningham.

Is there a monument marking, for the thousands upon thousands of trans-Pacific

tourists, the fact that this indeed is hallowed ground?

Going through the air terminal, turning right past the cluster of terminal and service buildings and walking a few hundred feet to the fork in the road will reveal a monument.

A pitiful pile of coral surmounted by the prop and engine cowl off an F-4, flanked by a pair of wooden signboards and partly overgrown by the mesquite-type island brush. A tiny bronze plaque is corroded and slightly askew.

Someone has tried. Someone with the proper respect, if somewhat lacking in education. The plaque was donated by a Tacoma foundry, the sign reveals.

The fading signs hail the defenders and note that the prop and speeding are from Capt. Henry T. Elrod's last Marine fighter plane, crash-landed after attacking a Japanese destroyer. His bones are somewhere hereabouts possibly, because he died in hand-to-hand combat the day before the surrender.

Hank Elrod, his last plane lying in wreckage, crouching in a slit trench somewhere here on the night of December 21 with a rifle in his hand, almost certainly would have laughed at the thought of a monument as he looked at the stars for the last time.

Today, even with a modicum of modern conveniences, plenty of food and water, movies every night and cold beer at the Drifters Reef, Wake is a lousy place to live and work.

Wake is a 3-square-mile conglomerate of three islands, roughly V-shaped.

Wreckage strewn the south shore, especially in the area where the rusting hull of a Japanese supply ship *Suwa Maru* lies beached—what is left of it after the typhoon of 1952 that swept the island almost clean of man's handiwork.

The sun beats down and sudden rains slash across. For the 1,500 permanent inhabitants—military, civilian and Federal Aviation Agency personnel—it is a life of deadly monotony, to be endured while the bonus pay bankroll builds up to make it partly worthwhile.

Wake's 8,500 concrete airlines runway still feels the pounding tires of some 900 aircraft a month, but its doom is easy to foresee. Today, it is mostly the piston-engined craft of poor, old make-do MATS and snooty Pan American which slant in over the lagoon and settle down on Capt. Sam Wake's island to refuel. The jets, replacing the old craft, need no stepping stones, no refueling havens.

So someday, this island may fade into obscurity without even leaving a decent monument to remember the dead in its ironic wake.

REGULATION OF SCHEDULES AND CERTAIN PRACTICES OF FOREIGN AIR CARRIERS

Mr. MAGNUSON. Mr. President, at the request of the Air Transport Association, I introduce, for appropriate reference, a bill to provide for the regulation of schedules and certain practices of foreign air carriers in foreign air transportation. I ask unanimous consent that the letter from the President of the Air Transport Association, requesting the proposed legislation, together with a section-by-section analysis of the bill, be printed in the Record.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter and section-by-section analysis will be printed in the Record.

The bill (S. 2834) to provide for the regulations of schedules and certain practices of foreign air carriers in foreign air transportation, and for other purposes, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The letter and analysis presented by Mr. MAGNUSON are as follows:

AIR TRANSPORT ASSOCIATION,
Washington, D.C., February 8, 1962.
HON. WARREN G. MAGNUSON,
Chairman, Senate Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As you know, section 402 of the Federal Aviation Act provides that a foreign air carrier must possess a permit issued by the Civil Aeronautics Board before such air carrier may operate air transport services to the United States. Although the Board is authorized to establish terms and conditions in connection with the issuance of foreign air carrier permits, the power of the Board to require the filing and approval of foreign air carrier schedules—as a means of determining public interest requirements and of insuring conformity and compliance with existing bilateral air transport agreements—has been subject to considerable question.

Almost all bilateral agreements in force between the United States and other countries retain as their primary objective the provisions of capacity adequate to the traffic demands between the country of which the designated air carrier is a national and the countries of ultimate destination. Existing bilateral agreements were originally designed to provide a framework of liberal but fair bilateral regulation of international air transportation. Their terms must necessarily be adhered to if this objective is to be achieved. These bilateral agreement principles, particularly with regard to the primary capacity objective, are, however, being rendered meaningless in those instances where foreign air carriers interpret agreements in accordance with their own self-interest.

The air carriers of several foreign countries are, with the consent or knowledge of their governments, operating capacity—the amount and kind of air transportation operated by the carriers of two signatory countries—to and from the United States far in excess of that provided for in the bilateral agreements. Although such agreements provide the United States with the opportunity to consult with a foreign government or governments about capacity questions and disagreements, consultations with regard to excess capacity which may be detrimental to U.S. interests have proven to be generally useless.

Under the terms of existing bilateral agreements, the U.S. Government does not quarrel with the right of any given foreign air carrier to operate maximum capacity between its country and the United States so long as such capacity is based on the carriage of primary traffic. In our opinion, however, the U.S. Government should object and should take action when foreign air carriers operate capacity in violation of the agreement, capacity which is, in fact, geared primarily to the carriage of traffic between the United States and third countries.

Excess capacity substantially increases airline operating costs and these costs must ultimately be borne by the general public. Excess capacity has a most adverse effect upon the economic health of the industry. This is particularly so in the case of our own U.S.-flag international airlines whose share of the international market is declining at an alarming rate and who now face serious economic difficulties. This decline is

to a large measure the result of the excess capacity operated by several foreign air carriers.

Because the consultations provided for in the bilateral agreements have proven unsuccessful with regard to excess capacity, the U.S. Government has found itself powerless to take effective measures to ensure that the provisions of the applicable air agreements are adhered to. The lack of specific statutory authority to require the filing and approval of foreign air carrier schedules in this respect has been a contributing factor.

In the absence of clear legislative authority, we recommend the consideration and enactment of legislation authorizing the board to require the filing of foreign air carrier schedules for approval. A draft bill in this connection, as well as an analysis of the proposed legislation, is enclosed for your consideration and we respectfully request its early introduction.

The proposed legislation would leave to the Government's discretion whether a foreign air carrier's schedules or proposed schedules are in the public interest and in consonance with the applicable bilateral agreement. The proposed legislation does not envisage a unique or unusual authority in the field of international air transportation. Other governments have had, or are having, similar excess capacity problems. They have solved, or are solving such problems by requiring foreign air carriers to file their schedules for approval.

Our Government should be similarly equipped to deal immediately with increasingly urgent excess capacity problems. Furthermore, the very fact that we would possess the power provided for in the proposed legislation would, to a large extent, eliminate another kind of capacity problem confronting the United States, the imposition of arbitrary restrictions upon U.S.-flag airlines by foreign governments.

We hope you will agree to introduce the proposed legislation and that hearings may be scheduled as soon as possible.

Cordially,

S. G. TIPTON.

SECTION-BY-SECTION ANALYSIS

Section 402 of the Federal Aviation Act provides that a foreign air carrier must have a permit issued by the Civil Aeronautics Board before such air carrier may operate air transport services to the United States. Section 402 of the act also contains provisions dealing with the application for, issuance, and terms and conditions of such permits but does not specifically mention the filing and approval of flight schedules. The Board's authority in this respect has been subject to question. The proposed bill would effectively resolve this issue by adding a new subsection to section 402 of the act. New subsection (h) would specifically authorize the Board to require foreign air carriers to file with the Board for approval copies of schedules currently operated, as well as proposed, between any point in the United States and any point outside the United States. This subsection would further provide that current or proposed schedules cannot be continued or inaugurated unless approved by the Civil Aeronautics Board, after consultation with the Secretary of State, and that such approval shall take into consideration the public interest requirements of the United States as well as any applicable U.S. law, treaty, convention, or agreement.

CASH CONTRIBUTION FOR HILO HARBOR BREAKWATER PROJECT

Mr. FONG. Mr. President, I introduce, for appropriate reference, a bill to authorize the elimination of a cash

contribution requirement of 28.2 percent imposed by the Corps of Engineers on the seismic sea wave or tsunami protection portion of the Hilo Harbor breakwater project.

On May 31, 1960, Congress responded to my plea on behalf of the people of Hilo, Hawaii, who, a week earlier had experienced a devastating tidal wave. Sixty people perished and property damages from the series of great waves amounted to over \$25 million. Only 14 years before 159 people were killed in a similar seismic sea wave.

The thriving city and busy harbor of Hilo suffered extensive damage from these waves. The Corps of Engineers estimated that practically all of the damage to Hilo in 1960 could have been prevented if an adequate protective barrier had been in existence.

In 1960, Congress authorized a \$26 million project to protect the people and the city of Hilo, Hawaii. Studies have been made by the Corps of Engineers on this proposed breakwater, and in its report the recommendations follow the same standards set in public works projects dealing with excessive high tides and flooding caused by hurricanes.

The Corps of Engineers has therefore reported that a 28.2 percent cash contribution will be required of the local interests.

The seismic sea waves which have hit Hawaii cannot be likened to hurricanes and excessive high tides. The short wavelength of storms and hurricanes cannot be compared in damage potential to the long wavelength of a seismic sea wave. No other State in the Union has experienced the full force of a seismic sea wave.

An underwater tremor off Alaska or the coast of South America or an earthquake in Japan may touch off a seismic sea wave. The force of this wave increases as it travels thousands of miles across the ocean. Hawaii, because of its location, almost invariably will be in the path of these waves.

The tsunami travels thousands of miles within a very short time. Hurricanes, on the other hand, move very slowly. Warning against hurricanes are possible several days in advance and their courses are predictable.

It is possible to ascertain, with a reasonable degree of accuracy, the severity of a hurricane. This is not so in the case of a seismic sea wave. Furthermore, it is often not possible to detect a seismic sea wave on the high seas. The size of the wave also escapes prediction. For these reasons, adequate warning cannot be given of seismic sea waves.

Hurricanes and excessive high tides are seasonal occurrences. The areas where these high winds and tides occur expect them during certain periods of the year. These localities have therefore through the years prepared themselves for these local phenomena.

A seismic sea wave on the other hand has no season. No one knows when a tsunami will occur. The constant fear that it will occur, but not knowing when, is cause for national concern. The damage potential, the unpredictability, the

tremendous force and the threat to individual lives takes a tsunami out of the category of a local misfortune. The protection needed against a seismic sea wave is a national project.

Hilo Harbor is an excellent harbor but the topography of the ocean floor rising to Hilo Bay acts as a funnel for the waves. The full force of these waves are directed into Hilo Bay and onto the shore areas of the city.

The damages suffered at Hilo from seismic sea waves have always been severe and recovery expensive. Because of the severe and particular circumstances associated with the tsunami and the Hilo Harbor breakwater project, I feel there is no precedent that can be followed.

For the foregoing reasons, I believe that the people of Hawaii should not be required to make a cash contribution amounting to 28.2 percent of the cost. Hilo has made spectacular recovery in spite of the ruin it experienced only 2 years ago. The devastation has rendered Hawaii County financially incapable of putting up the \$5½ million required. The State of Hawaii is likewise incapable of assuming this additional burden. I have received many letters from individuals and leaders in the county of Hawaii and the State expressing deep concern over this requirement.

The dangers of another seismic sea wave disaster and the accompanying fears continue to plague every resident of Hilo. I therefore ask the members of the Senate Public Works Committee and the Senate as a whole to act quickly and favorably on my proposal to eliminate the cash contribution requirement.

THE VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2838) to modify the project for protection against tidal waves and excessive high tides at Hilo Harbor, Hawaii, introduced by Mr. FONG, was received, read twice by its title, and referred to the Committee on Public Works.

WELFARE AND PENSION PLANS DISCLOSURE ACT AMENDMENTS OF 1962—PRINTING OF BILL AS PASSED BY SENATE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that House bill 8723, the Welfare and Pension Plans Disclosure Act Amendments of 1962, passed by the Senate on Wednesday last, be printed showing the Senate amendment.

THE VICE PRESIDENT. Without objection, it is so ordered.

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States, dated January 22, 1962, and January 30, 1962, respectively, that appeared to have no permanent value or historical interest, submitted reports thereon, pursuant to law.

THE CONGRESSIONAL FRANKING PRIVILEGE—AMENDMENT

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial appearing in the February 5, 1962, issue of the New York Herald Tribune entitled "Let Congressmen Pay for Their Propaganda."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LET CONGRESSMEN PAY FOR THEIR PROPAGANDA

Senator JOHN J. WILLIAMS has one wheel on the right track in his effort to bar use of the congressional franking privilege for junk-type mailings to city dwellers.

In the windup of last year's session, the House passed a measure authorizing such use. It permits Congressmen to send unaddressed mail on city postal routes, which has to be delivered, postage free, to all households. (Boxholder mail was already being accepted free on rural routes.)

Previously the Senate had blocked such a move; this time the House slyly included it in a catchup supplementary appropriations bill which was sent to the Senate on a take-it-or-leave-it basis.

The privilege, of course, is useful principally for blanketing a Congressman's district with glowing accounts of how splendidly he is looking out for its interests.

In Senator WILLIAMS' words, "This constitutes an unconscionable abuse of the franking privilege which is so necessary to the proper conduct of a congressional office, because it allows Members of Congress to use a free mailing service to do things which ordinary citizens and businesses cannot do even if they pay for it."

He has offered an amendment to the postal rate bill barring delivery of franked mail in cities unless addressed to a specific street number.

All of which is fine. But why not get the rural wheel on the same track?

Mr. WILLIAMS of Delaware. Mr. President, in this editorial they approve of the amendment but point out that it does not cover the whole problem since under the amendment unaddressed mail or junk mail could still be sent under frank by Members of Congress to rural boxholders.

The editor is correct. This was an oversight on my part and I appreciate having it called to my attention. I am today introducing a corrected amendment which will do the job.

This revised amendment will stop all franking privileges for unaddressed mail in any area—cities or rural—by Members of Congress.

I send the corrected amendment to the desk and ask for its referral to the Senate Post Office and Civil Service Committee for consideration when acting on H.R. 7927.

THE VICE PRESIDENT. The amendment will be received, printed, and referred to the Committee on Post Office and Civil Service.

REGULATION OF RATES AND PRACTICES OF AIR CARRIERS AND FOREIGN AIR CARRIERS—AMENDMENT

Mr. MAGNUSON. Mr. President, last session, at the request of the Civil Aero-

nautics Board, I introduced a bill (S. 958) which would amend the Federal Aviation Act of 1958 to provide for the regulation of rates and practices of air carriers and foreign air carriers in foreign air transportation, and for other purposes.

I now submit, at the request of the Air Transport Association, an amendment to that proposed legislation. I do this so that the ideas of both the industry and the regulating agency may be before the committee when hearings are held.

I ask unanimous consent that a letter from the Air Transport Association, requesting the proposed amendment, be printed in the RECORD.

THE VICE PRESIDENT. The amendment will be received, printed, and referred to the Committee on Commerce; and, without objection, the letter will be printed in the RECORD.

The letter presented by Mr. MAGNUSON is as follows:

AIR TRANSPORT ASSOCIATION,
Washington, D.C., February 8, 1962.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Civil Aeronautics Board has contended that it has no summary power to stop any carrier in foreign air transportation from placing into effect any rate, fare, or practice it elects, excluding that which may be of a discriminatory nature. The Board, therefore, has long sought legislation which would extend its interstate rate authority, the authority to fix and prescribe rates, to foreign air transportation. The Board's current proposal in this regard is set forth in S. 958 now pending before your committee.

Since the Board contends it lacks sufficient statutory authority to correct and/or prevent rate problems in foreign air transportation, it is our belief that some specific authority should be provided. We recommend enactment of legislation authorizing the Board to suspend rates in foreign air transportation. A draft bill in this connection, as well as an analysis of the proposed legislation, is enclosed for your consideration and we respectfully request its early introduction.

With regard to overseas air transportation, our proposed legislation is much the same as S. 958 with respect to providing the Board the same authority to prescribe rates and practices in overseas air transportation as the Board now possesses with respect to interstate transportation. Unlike S. 958, however, our proposed legislation recognizes the need to distinguish between interstate and overseas air transportation on the one hand and foreign air transportation on the other. This distinction is necessary because:

1. Rates and tariffs in foreign air transportation involve to a major extent multilateral considerations which need not be taken into account in interstate and overseas air transportation. Rates and practices developed through the time-proven IATA conference system take into account multilateral considerations and are subject to the approval of the respective governments, thus ensuring that such rates are in the public interest; and

2. Virtually all U.S. bilateral air agreements provide that if the Board were to have the authority to prescribe rates in foreign air transportation and such rates were unacceptable to a foreign government, the disagreement would be referred to an independent body for an advisory report. Thus,

the net effect of the rate authority proposed in S. 958 would be to subject the Board's rate decisions to a third party arbitration.

Our proposed legislation would empower the Board either upon complaint or upon its own initiative to suspend a proposed or an existing tariff related to foreign air transportation for a period not exceeding 365 days in the aggregate when such tariff appears inconsistent with the public interest. If and when the Board were to suspend a proposed tariff, the tariff in effect immediately prior to the filing of the new tariff shall be maintained. In the case of suspension of an existing tariff, the lowest or most advantageous tariff or tariffs currently in effect and applicable to services provided by other air carriers engaged in the foreign air transportation may be used.

It is our belief that the enclosed draft bill would provide the Board with the specific statutory authority to carry out the declared policy of Congress with regard to "the promotion of adequate, economical, and efficient service by air carriers at reasonable charges, without * * * unfair or destructive competitive practices." For reasons previously cited, our legislative proposal accomplishes this objective in a more effective manner than that provided for in S. 958.

We hope you will agree to introduce our proposed legislation and that hearings may be scheduled as soon as possible.

Cordially,

S. G. TIPTON.

SECTION-BY-SECTION ANALYSIS

Section 1002 of the Federal Aviation Act of 1958 authorizes the Civil Aeronautics Board to prescribe rates and practices, and to suspend rates in certain cases, of air carriers engaged in interstate and overseas air transportation. No rate authority has been given the Board in the case of carriers engaged in foreign air transportation. The purpose of the proposed bill is to empower the Board to suspend rates relating to foreign air transportation when such rates appear to be unjust and unreasonable.

1. Subsection (d) of section 1002 of the act authorizes the Board to prescribe rates and practices of air carriers in interstate and overseas transportation, with a proviso that as to overseas air transportation the Board shall prescribe only a "just and reasonable maximum or minimum, or maximum and minimum rate, fare, or charge." Section 1 of the proposed bill would strike out the proviso with regard to overseas air transportation in order to give the Board the same authority to prescribe rates and practices of air carriers in overseas transportation as the Board now possesses with respect to interstate transportation. This change is necessary to standardize the Board's interstate and overseas rate authority and to necessarily distinguish between interstate and overseas transportation on the one hand and foreign air transportation on the other. This distinction is further necessary in view of the rate suspension authority with regard to foreign air transportation given the Board under section 4 of the proposed bill.

2. Section 2 of the proposed bill would change the heading of subsection (e) of section 1002 of the act to read: "Rule of Rate Making—Interstate and Overseas Air Transportation" in order to make clear that the Board's authority to prescribe rates applies to interstate and overseas transportation.

3. Section 3 of the proposed bill would change the heading of subsection (g) of section 1002 of the act to read: "Suspension of Rates—Interstate and Overseas Air Transportation" in order to make clear that the Board's authority to suspend rates under this subsection applies to interstate and overseas air transportation.

4. Section 4 of the proposed bill adds a new subsection (j) to section 1002 of the act. The new subsection would empower the Board either upon a complaint or upon its own initiative to suspend in the public interest a proposed or an existing tariff relating to foreign air transportation for a period not exceeding 365 days in the aggregate. If and when the Board should suspend a proposed tariff, the rate, fare, or charge in effect immediately prior to the filing of the new tariff shall be maintained. In the case of an existing tariff, this section would empower the Board either upon a complaint or upon its own initiative to suspend any existing tariff of a foreign air carrier which is not consistent with the public interest. Any such suspension would be for a period not exceeding 365 days in the aggregate. If and when the Board should suspend an existing tariff, the foreign air carrier concerned may use the lowest or most advantageous tariff or tariffs currently in effect and applicable to services provided by other air carriers engaged in providing the same foreign air transportation.

5. Section 5 of the proposed bill would add a new subsection (k) to section 1002 of the act. New subsection (k) sets forth some of the factors or criteria which the Board shall take into account in exercising and performing its powers and duties under proposed subsection (j). These include:

(i) The requirements of section 1102 of the act which relate to international agreements. This would insure that all actions, taken by the Board under proposed subsection (j) would be fully consistent " * * * with any obligation assumed by the United States and any foreign country or agreement that may be in force between the United States and any foreign country or foreign countries, and shall take into consideration any applicable laws and requirements of foreign countries."

(ii) That all relevant factors, such as cost of operation, reasonable profit, the characteristics of each service, and the rates charged by other carriers and foreign air carriers shall be taken into consideration by the Board in order to properly ascertain just and reasonable levels of rates.

(iii) That the public interest requires adequate, efficient, and dependable transportation by U.S. and foreign air carriers at the lowest cost consistent with furnishing such transportation and that a need for sufficient revenue exists to enable air carriers to provide adequate, efficient and dependable service under honest, economic, and efficient management.

PURCHASE BY THE UNITED STATES OF UNITED NATIONS BONDS—AMENDMENT

Mr. CHURCH. Mr. President, the Foreign Relations Committee has been holding hearings on S. 2768, the administration's bill to authorize purchase by the United States of bonds to be issued by the United Nations to finance its current peace keeping activities. The bond issue is in pursuance of a three-point plan, approved by the General Assembly, to meet the current financial crisis in the United Nations. It is proposed to levy a special assessment for operations in the Congo and the Near East, to obtain an advisory opinion from the World Court as to the binding nature of these assessments on all U.N. members, and to issue emergency bonds, repayable with interest over a period of 25 years, to keep these U.N. operations from collapsing.

In my judgment, testimony so far received in the Foreign Relations Committee indicates that the bond issue is the best way available for solving the financial emergency now facing United Nations. The President's bill, S. 2768, would authorize purchase by the United States of \$100 million of the proposed United Nations bond issue. I believe, however, that this proposed legislation, if approved, should contain a provision insuring that any such bond purchase by the United States will be a business-like loan and not become a grant in disguise. I believe it is in the best interests of the United Nations itself that this be done, since the organization cannot emerge strengthened from its present difficulties unless the proposed bonds are fully and faithfully redeemed. Because the United States is being asked to put up half of the bond money, we are entitled to definite assurance that it will, in fact, be repaid.

Section 2 of the bill now provides:

Amounts received from the annual repayment of interest due on such bonds shall be deposited into the Treasury of the United States as miscellaneous receipts.

I propose an amendment which would substitute the following for section 2 of the bill:

The President is authorized to deduct from the annual payment of the assessed share of the United States of the budget of the United Nations an amount equal to the corresponding annual installment of principal and interest due to the United States on account of bonds purchased pursuant to section 1.

The implementation of this amendment would guarantee to the United States full repayment of principal and interest on the U.N. bonds we purchase. No door will have been left open for future delay or default.

Mr. President, since the current financial crisis confronting the U.N. results from the failure of other member nations to pay their share of the special assessments levied upon them, the United States is entitled to have the protection of this amendment, as security for the repayment of the money we are being asked to loan the United Nations to save it from a bankruptcy for which we are in no way responsible. Thus, the amendment is right for the United States, even as it is right for the United Nations. I send it to the desk, and ask unanimous consent that it be printed and appropriately referred.

The PRESIDING OFFICER. The amendment will be received and printed, and will be appropriately referred.

The amendment was referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. SPARKMAN. The Senator may have stated this, but I do not recall hearing it. Has the Senator discussed his proposal with representatives of the State Department?

Mr. CHURCH. I have taken the amendment up with the State Department, and the State Department has responded.

Mr. SPARKMAN. The language which the Senator includes in his amendment is essentially the same language which the State Department has indicated it might be able to live under?

Mr. CHURCH. We have come to an agreement on the language, and the State Department has indicated that it will interpose no objection.

Mr. SPARKMAN. I thought that was correct, but I wished to be sure the RECORD so showed.

Mr. CHURCH. I am very pleased the Senator has brought that to the attention of the Senate. The amendment in its present form, if it does not have the endorsement of the State Department, at least will not be objected to by the State Department as an amendment to the bill.

U.S. COMMISSION ON AGING—ADDITIONAL COSPONSORS OF BILL

Mr. McNAMARA. Mr. President, I ask unanimous consent that on further printings of Senate bill 2779, to establish a U.S. Commission on Aging, the names of the junior Senator from Michigan [Mr. HART] and the junior Senator from Massachusetts [Mr. SMITH] be entered as cosponsors.

The VICE PRESIDENT. Without objection, it is so ordered.

ENCOURAGEMENT OF DISCOVERY, DEVELOPMENT, AND PRODUCTION OF GOLD—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

On request by Mr. GRUENING, and by unanimous consent, his name was added as an additional cosponsor of the joint resolution (S.J. Res. 44) to encourage the discovery, development, and production of domestic gold.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. GORE:

Address by Senator KEFAUVER delivered before the League of Women Voters, Nashville, Tenn., January 19, 1962.

By Mr. KEFAUVER:

Excerpts from remarks by him to the Antitrust Symposium of the New York State Bar Association, January 25, 1962.

MONTANA RADIO STATION WINS NATIONAL AWARD

Mr. MANSFIELD. Mr. President, the State of Montana is the fourth largest State in the Union; it is sparsely populated, and it is composed of many small cities and towns. Despite its rural characteristics and the distances from metropolitan areas, Montanans do very well in almost every competitive enterprise. Montana has done it again: Radio station KGVO, an affiliate of the Western Broadcasting Co., has been named

the winner of a national radio news award.

KGVO was selected for its excellence in public-affairs editorial programs, and competed with approximately 5,000 other stations. I think it is important to point out that this station is competing with radio stations in cities such as New York, Chicago, and Los Angeles. Missoula can be justly proud of KGVO, and I wish to add my words of congratulation and encouragement to all who helped to present these stimulating public-affairs programs to western Montana.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks in the CONGRESSIONAL RECORD a letter I have received from Dale G. Moore, president of the Western Broadcasting Co., and a résumé of the subject covered on one of the public-affairs programs carried nightly on KGVO.

There being no objection, the letter and the résumé were ordered to be printed in the RECORD, as follows:

WESTERN BROADCASTING CO.,
Missoula, Mont., February 6, 1962.

HON. MIKE MANSFIELD,
U.S. Senate, Washington, D.C.

DEAR MIKE: Once in a while every business has something of which it is especially proud. The once-in-a-while occurred again for us last month when Western Broadcasting Co.'s affiliate in Missoula, KGVO radio, was named the winner of its fourth national radio news award. KGVO was picked as the 1 radio station out of almost 5,000 in the United States for its excellence in public affairs editorial programs. We are justly proud of this award, especially when one considers that we were being compared with stations in New York City, Los Angeles, and all across the country.

We feel our stations have achieved an enviable position of responsibility and respect in Montana and in the Nation. However, what we now are represents to us merely a start on reaching the higher goals we hope to achieve in the future.

I have attached to this letter a résumé of the subjects covered on just one of our public affairs programs—"Editor's Desk," aired nightly. I felt you might be interested in knowing who was interviewed and what subjects were discussed on our stations during the past year. The listing showing on the attached by no means represents the total number. However, it will give you a good sampling. I know of no other news organization of any kind in the State of Montana that has had as complete a service or has gone into the reporting in depth that has occurred on our stations in the past year.

This letter is going out to community, business, professional and public servant leaders in our State and Nation. We welcome your comments and suggestions and earnestly solicit your cooperation and help in the coming year. Please be assured we will continue to do everything possible to better serve Montana.

Sincerely,

DALE G. MOORE, President.

The four stations of Western Broadcasting Co. (KGVO in Missoula, KBMN in Bozeman, KCAP in Helena, and KURL in Billings) submit a partial list of the public affairs programs that have been aired on these stations in the past year. The attached list by no means encompasses the total number of programs that have been aired over the past 3 years. We respectfully submit the following partial list to further inform you of what these stations are doing to fulfill their obligation of operating in the public interest, convenience, and necessity.

The news coverage as set forth on attached pages is specifically designed to ask the question "Why", and also to attempt to serve community purpose and direction. Many of these public affairs programs are designed to background and fill in the gaps always left in a radio newscast limited to 5, 10, or 15 minutes.

Reporting of community problems by radio is more than saying that a problem or issue exists. It is more than quoting fiery statements. On all of their newscasts, KGVO, KBMN, KCAP, and KURL attempt to probe deeper than the sensational. But, even then, something more is needed. Most programs are interviews. Some are scripted background reports or commentary. Some are editorials.

The term "reporting in depth" is very much in vogue. But our stations believe that what passes on most radio (and television and newspapers) as "depth" reporting is pretty shallow. Too often one source of information provides the material. With the programs, as listed on the following pages, our stations of KGVO, KBMN, KCAP, and KURL provide the background, the depth, the meaning—to the individuals in our communities—of things that are happening, have happened, or will happen, that will directly affect their lives. This type of reporting cannot be done in a newscast alone, limited by time and usual variety of news stories. Our news and information programs break through some of the mental blocks of broadcasting. They are a "special" but are scheduled regularly. Our public affairs programs may run 5 minutes, usually run 15 minutes; on occasion, they are expanded to a full hour.

We deal with unusual subjects, such as a discussion of religion or philosophy, but with fairness, good taste, and without sensationalism. The programs are produced, written, and usually handled on the air by News Director Don Westor or management. This includes some commentary. However, on editorials giving position of the station on public issues, the opinions are voiced by the station owner and manager.

The editorials are prepared as a result of research, primarily by the news staff, although the station manager often joins in the research. The subject of an editorial, or series, can be initiated by the news department or the management. Very often subjects are brought up with a divergence of opinion, followed by months of discussion and argument before a position is agreed upon. Often research is started on a subject on which there are several opposing views by members of the staff as to what stand should be taken. This type of give-and-take arguing and research can often develop some of the best editorials.

Some of the editorials on immediate problems, we feel, have had immediate results. Particularly, we feel, the subject matter handled in the interviews, many of them in a series, has had the effect of raising interest in the subject, causing awareness of the problem and the beginning of the process of community action which might not jell for years.

It should be pointed out that our communities have had a lack of newspaper aggressiveness. With the accent to news, public affairs and public service made by our stations we are most happy to have the other media beginning now to show an interest in the affairs of our communities.

In addition to the programs listed on attached sheets, community problems are also reported every day throughout the year on regular newscasts. Subject matter for the programs are planned and developed. More often than not, several different persons are interviewed on succeeding programs on the same subjects. And often a series of interviews may be done with one person to allow time to explore fully the subject at hand.

An example of this would be the four interviews done on the State's economic status with Dr. Edward Chambers, who was director of the Bureau of Business and Economic Research at Montana State University.

One series on the Montana State Prison, troubled by two bloody riots in 3 years, included interviews on successive nights with Warden Fred Dixon of California's San Quentin Prison (Mr. Dixon was in the State on inspection of the Montana prison); Warden Floyd Powell of the Montana prison; Randall Swanberg, chairman of the Montana Citizens' Council on Corrections; and Dr. Gordon Browder, chairman of the Sociology Department of Montana State University.

Other such series included interviews with all candidates for major State and local offices in the 1960 general election. The election interviews were tied together by interviews, scheduled periodically through the campaign, with Dr. Thomas Payne, chairman of the Political Science Department of Montana State University.

While faculty members at Montana State University and Montana State College are interviewed frequently by our stations, it should be noted they are interviewed in connection with local or national issues, and the interviews are often tied in with a series of interviews which has included non-academic persons. The State university and State college offer a wonderful background of information and interpretation which is used on many programs effectively to mesh this talent into the everyday life of the community and the region. Use of these faculty members to background and voice opinions on public issues, it would seem, is a service that would be lost to the general (taxpaying) public in our areas if it were not for KGVO, KBMN, KCAP, and KURL.

But as the day-by-day schedule of interviews and programs will demonstrate, the colleges provide only a small segment of the subjects covered. Another such segment is the U.S. Forest Service. Usually, Forest Service interviews deal with fires and fire prevention. Some interviews have dealt with fires, but the majority of programs on our stations have dealt with other phases. For example, insects cause more economic loss to the timbered areas, by far, than do fires. A number of interviews with forestry people have dealt with research and methods of attacking this problem.

During the 1961 legislative session at Helena, Don Weston moved the program to the State capitol building. Interviews were made with key legislators each day throughout the session. The coverage of the legislature is only one part of the travel involved in obtaining the interviews and special reports. One such special report was a special program expanded to half-hour length, recorded with the people in the small community of Superior, 50 miles west of Missoula. This special report was edited from the comments on the problems facing this community whose thriving tourist business ended abruptly when the new interstate highway was opened and the town was completely bypassed. The interstate highway program will have a great impact on each of our stations' coverage areas.

Following is a representative listing of public affairs programs aired on KGVO, KBMN, KCAP, and KURL during the period of August 1960 through July of 1961:

IN 1960

August 2: Dr. Eunice Roberts, associate dean of students, Indiana University, nationally recognized expert in vocational guidance for women, concerning frustration of highly trained women who become housewives and mothers.

August 4: Bill Johnson, assistant supervisor, Lolo National Forest, concerning fight-

ing a major forest fire, recorded on scene at fire control headquarters.

August 16: Special feature anniversary of Yellowstone Park earthquake with recorded highlights of news coverage KGVO made on the scene 1 year ago.

August 22: William Bush, president, Western Montana Fish and Game Association, on effects of river pollution in Montana on fishing.

August 30: Wesley Castle, associate justice of Montana State Supreme Court, about backlog of cases of efforts of court to get "current," and how long it usually takes for case on appeal to get decision and why.

September 5-8: Four-part series. Dr. Edward Chambers, director of Bureau of Business and Economic Research at Montana State University, going over all phases of Montana economy with resultant conclusion that recession is quite serious and that State has economic problems. Quotes from this series were picked up by wire services and became key part of State political campaign issues in fall. Republican candidate for Governor requested tapes to listen to and to make studies from. Each night of the series of interviews dealt with a different phase of economy.

September 12: Ed Whiteman, president of Affiliated Indian Tribes of Northwest, on proposed legislation to terminate Federal supervision of Indians and why he favors a go very slow policy. Also concerning economic plight of Indians in Montana and neighboring States.

September 15-16: Two-part series. Dr. Fred Honkala, chairman of geology department, Montana State University, on results of his summer of field trips in earthquake area and what has happened and is happening.

September 20-22: Three-part series. Warden Fred Dixon of California's San Quentin Prison on his opinions after touring Montana's State Prison; with Warden Floyd Powell of Montana's State Prison on operations, rehabilitation work, and what needs to be done; Randall Swanberg, chairman, Montana Citizens' Council on Corrections, concerning paroles, pardon procedure with his group's recommended changes.

September 30: Dr. Frank Dumond, professor of English at Harvard, visiting lecturer, discussing literature today—where it seems to be going.

October 5: Jack Barrows, director, Northern Fire Research Laboratory of U.S. Forest Service, Missoula, concerning scientific research planned at new million-dollar unit; particularly Project Skyfire, to study and possibly control lightning storms, the major cause of forest fires in the West.

October 7: Dr. Thomas Payne, chairman of Montana State University Political Science Department, in another interview analyzing 1960 campaign, discussing Nixon-Kennedy debates, value of fairness, etc. (He did not believe it was a good idea to have scattergun questions.)

October 10: Lee Metcalf, Democratic nominee for U.S. Senate. Interview.

October 11: Orvin Fjare, Republican nominee for U.S. Senate. Interview.

October 13: Alfred Klingler, executive director, Montana Municipal League, concerning problems, particularly financial, of cities.

October 17: Donald Nutter, Republican nominee for Governor. (Democratic nominee refused to be interviewed.)

November 10: Dr. Thomas Payne, chairman, political science department, Montana State University, first of two-part interview concerning election results.

November 15: Dr. Erling Dorf, paleobotanist, Princeton University (visiting lecturer) concerning his research in climatic changes, indicating what's happening to the world's weather and what might be expected

in years ahead. (He expected general warming trend for hundreds of years.)

November 16-18: Three-part series. Dr. Harry K. Newburn, president of Montana State University, dealing with (1) physical plant growth problems of university; (2) educational standards of universities in light of challenges of space and atomic age; (3) operations policies (what they are trying to teach, what they expect to accomplish) at Montana State University.

November 24: Thanksgiving Day feature, interview with local Salvation Army volunteer workers.

November 30: Dr. John Borchert, chairman, geography department, University of Minnesota (visiting lecturer) on future growth patterns of urban areas, particularly along lines of strip growth on city outskirts and shopping centers disrupting city business districts.

December 5: Don King, superintendent of Rocky Mountain division of the Northern Pacific Railroad, concerning proposed merger of Northern Pacific with Great Northern, Northern Pacific, Burlington, and Spokane-Portland-Seattle, dealing with effect it would have on Montana economy.

December 12-13: Two-part series. Vic Reinemer, executive secretary of retiring U.S. Senator James E. Murray, dealing with recollections, sidelights of his work with the Senator.

December 20-22: Three-part series on juvenile delinquency with (1) Dr. Gordon Browder, chairman of sociology department, MSU; (2) D. W. Hutchinson, probation officer, fourth judicial district, Montana; (3) Mrs. Maxine Scott, member, Montana Citizens Council on Corrections.

December 28: Expanded into hour-long year-end summary of local-State news, with recorded highlights of 1960 news events.

IN 1961

January 2: Retiring Gov. J. Hugo Aronson, concerning his future plans, reflections on his two 4-year terms.

January 4: Recorded comments of five Republicans and five Democrats in legislature, brief interviews on their reactions, comments to Governor's state of the State address earlier that day.

January 13: Representative James Haughey (Republican), Yellowstone County, concerning his bill to revise unemployment compensation system in State (one of major pieces of legislation).

January 22: Gov. Donald Nutter, concerning his legislative proposals and why he thinks they should be enacted.

February 3: Senator William F. Cashmore, Republican, Lewis and Clark County, concerning his bill which would require labor unions to hold secret strike ballots.

February 8: Editorial on lobbyists.

February 12: Gov. Donald Nutter, concerning the status of his program in legislature, admitting he probably gave legislature too much for one session.

February 17: Senator Leland Schoonover, Democrat, Lake County, concerning proposed changes in State school foundation program.

February 28: Representative Clyde Hawks, Republican, Big Horn County, speaker of the house, on possibility of going overtime and operations and appointments of joint conference committees.

March 7: Senator William A. Groff, Democrat, Ravalli County, chairman, senate finance and claims committee, concerning deadlock on university system appropriation, forcing overtime session of legislature.

March 13: Representative Elmer Schye, Republican, Meagher County, concerning reapportionment bill and compromise settlement.

March 17: Representative Ted Schwinden, Democrat, Roosevelt County, minority

whip in house, concerning his comments and opinions on work of 37th legislative assembly.

March 20-21: Two-part series. Governor Nutter, concerning his comments and opinions on accomplishments and lack of accomplishments of legislative session.

March 24: Keith Thompson, executive secretary, Montana Taxpayers Association, concerning school taxation and costs.

April 7: Joseph Musselman, director of State music festival, concerning 3,000-student event opening on university campus.

April 10: Dr. Alan Watts, San Francisco, nationally recognized philosopher (visiting lecturer), concerning religion and philosophies of Far East compared with those in the West.

April 13: Dr. Milton Schwank, newly appointed director of athletics at MSU concerning future of athletics at MSU in view of breakup of skyline conference.

April 25-26: Two-part series. Phil Johnson, chief of the Northern Inter-Mountain Entomology Experiment Station, dealing with insect damage to forests and steps being taken to combat infestations.

April 27-28: Two-part series. Franklin Roby, executive director of Yellowstone Boys' Ranch, concerning operation of ranch home for boys near Billings.

May 1: Roy Loman, president of Upper Columbia Development Council, concerning proposals to build either smaller privately constructed hydroelectric dams on Clark Fork River or large Federal multipurpose project. (UCDC favors private power).

May 2: Paul Harlow, chairman of committee for Paradise Dam, concerning construction of dams. (This group favors public power.)

May 8: B. J. Rose, public information officer, State fish and game department, concerning regulations, etc., on opening of Montana general fishing season.

May 17 and 19: Dr. Charles Hertler, chairman of Montana State Inter-scholastic Meet, on preparations for annual event and problems of housing 2,000 contestants, etc., and interviews on the field with youths competing in the interscholastic meet.

May 23-24: Two-part series. Robert Oswald, professor of physical education, concerning swimming and water safety.

June 2: Fred Heinrich, U.S. Forest Service regional safety officer, concerning safety practices public should follow in campgrounds and while hiking, etc.

June 7-8: Two-part series. Alex Stephenson, supervisor, Montana State Highway Patrol, dealing with causes of sharp increase in State's highway fatalities, and installation of new speed zones.

June 13: Arthur Lamey, Billings lawyer, who was American Bar Association observer to United Nations General Assembly, concerning his opinions of U.N.

June 19: Maj. Robert Keyes, State director of civil defense, concerning overall civil defense, defense operations in Montana.

June 30: Edward Hummell, superintendent of Glacier National Park, concerning park travel, and status of Mission 66 program to revitalize all national park facilities by 1966.

July 3: Capt. William Cahill, chief of local division of State highway patrol, concerning highway safety and the 4th of July.

July 5: Mrs. S. R. Logan, Montana national Democratic committeewoman, concerning primarily public power issues.

July 6: Bernard Elsmann, CBS news correspondent, concerning his tour through the drought area of the Dakotas.

July 10-14: Series of five editorials on Montana Power Co. application to State public service commission for a natural gas rate increase.

July 17: Expanded program dealing with problems of small western Montana com-

munity, whose tourist business ended abruptly when interstate highway opened, bypassing the town.

We believe that the scope and quality of our news and public affairs broadcasting in small market radio proves that responsible radio can succeed. The bread and butter news is that day-in-day-out checking of the regular news sources. It is seldom the spectacular, but it is the regular on-foot person-to-person calls, the attendance by our radio stations' reporters at meetings of the city council and county commissioners, and contact every day with major news sources in our communities, that provides the service and builds the foundation of respect and authority in the communities.

We believe that what has been called quality radio and serving in the public interest is not limited to those radio stations in large metropolitan markets.

THE UNITED STATES AND THE EUROPEAN COMMON MARKET

Mr. MANSFIELD. Mr. President, last week the distinguished senior Senator from Tennessee [Mr. KEFAUVER] spoke at some length about the extremely successful Atlantic Convention in Paris which he, together with the Senator from Idaho [Mr. CHURCH] and the Senator from Minnesota [Mr. HUMPHREY] had supported so vigorously in the Senate. The membership of the U.S. Citizens Commission on NATO, representing the United States at the convention, was drawn in great part from the eastern seaboard—which is quite fitting, in view of the historic relationship between our Atlantic States and Europe. As a Montanan and westerner, however, I took particular pride in the presence of my friend, Alex Warden, on the Commission.

Alex Warden is publisher of the Great Falls Tribune-Leader, one of the most enlightened newspapers in the West. On his return to Montana he addressed the Great Falls Rotary Club on the issues explored by the convention and on the necessity of America's close relationship with the Common Market. He told the members of the club that an increase in U.S. exports to Europe is essential, and that "this can only be effected by giving the President authority to make trade agreements at arm's length. This is not a partisan matter," he said, "but a matter of national welfare."

The press and people of this country would benefit from a hundred men like Alex Warden, Mr. President—men who can comprehend the issues of ultimate significance to the free world, and who can translate their concern into readily understandable terms.

Mr. President, I ask unanimous consent that a news story on Mr. Warden's address be printed at this point in the RECORD, together with an editorial, from the Great Falls Tribune, entitled "Kennedy's Giant Stride Toward New Foreign Policy."

There being no objection, the article and the editorial were ordered to be printed in the RECORD, as follows:

[From the Great Falls (Mont.) Tribune, Feb. 1, 1962]

DEADLY COLD WAR WILL GO ON, SAYS NATO COMMISSION SPEAKER

"Even though no crisis is likely to trigger a shooting nuclear war, the present deadly

cold war will continue unabated so long as we live."

This was the expressed opinion of Alexander Warden, publisher of the Tribune and Leader, at the Rotary Club's luncheon meeting Wednesday noon in Hotel Rainbow.

"If you are sleeping well, you might, in your prayers, give a slight vote of thanks to NATO, which is largely responsible for the fact we are not in the middle of a shooting war," Warden suggested.

He discussed the Atlantic Convention of North Atlantic Treaty Organization (NATO) nations, which he attended in Paris in mid-January as a member of the U.S. Citizens Commission on NATO.

Warden told of NATO member nations' concern regarding the Communist threat, expressed his views of the Common Market and reviewed a short visit in West Berlin.

In introducing the speaker, R. F. Kitchingman, executive vice president of the chamber of commerce, termed Warden's appointment to the Commission as "a great honor that has come to Montana." He noted the publisher now is the Commission's only member from a State west of the Mississippi.

"We're getting into a type of world very new to us," Warden said, "a world which will necessitate new and aggressive measures."

He said that of the world's 3 billion people, 1 billion are under Communist domination, one-half billion in the free world and a billion and a half uncommitted, whose choice will gravely affect the fate of the world.

"People with hungry bellies don't care anything about ideologies," he said. "If 2 of the 3 billion become Communist, we're just about dead," he warned.

Regarding the Atlantic Convention, Warden reported, "We did make progress toward necessary cohesion of the free world to combat an effective Communist program that is going on."

"We didn't go there to make any moon shot," he said, explaining a compromise was required.

Some conferees felt an Atlantic Union government, complete with a constitution and necessitating countries giving up their national sovereignty, should be formed at once. Warden explained, while others recommended moving more slowly to a goal of that nature.

The Declaration of Paris, prepared by the 98 convention participants representing 15 nations' NATO commissions, included a determination to work for a true Atlantic community during the next 10 years, with a pattern of action to be prepared within the next 2 years, he reported.

Many resolutions concerned aid to developing nations, he said, adding the convention "went for" free trade, establishment of a scientific documentation center and for more joint action by NATO nations.

Warden described the Common Market, established in 1957 by France, Italy, West Germany, Belgium, Luxembourg, and the Netherlands, as similar to the program of the United States after the Revolutionary War.

Regarding the United States' joining the Common Market, he noted the Common Market countries "couldn't care less, but are willing to talk about it." He said the Common Market can get along fine without the United States.

The U.S. trade balance, \$5 billion now, is not as good as it sounds, he said, noting the Nation is faced with a mounting deficit.

"The United States is not self-sufficient, and it is not going to be," Warden suggested. "For every job in American labor dependent on exports, 10 are dependent on imports, which will have a bearing on labor's attitude on what we do in international trade," he said.

"An increase in U.S. exports is the only answer," Warden advised, "and this can be

effected only by giving the President authority to make trade agreements at arm's length. This is not a partisan matter, but a matter of national welfare."

Noting tariff reductions are an economic necessity, Warden suggested, "If we don't get into the ball game, we're likely to suffer slow strangulation."

He explained such a transition would require "painful adjustment" and suggested Federal subsidies to assist certain industries over the bridge might be needed.

Warden described "the wall," which he viewed during his Berlin visit, as "a disturbing sight" and as "a monument to the fact that communism on the other side is a failure."

He praised Gen. Lauris Norstad, supreme allied commander, who conducted a briefing session for convention participants, describing him as "simply great."

Christian A. Herter, Secretary of State in President Eisenhower's administration, and William L. Clayton, who was Under Secretary of State under President Truman, are co-Chairmen of the U.S. NATO Commission.

It was announced during the meeting that the nomination of Col. Harry E. Goldsworthy, a Rotarian, for advancement to the rank of brigadier general has been approved by the Senate. Goldsworthy is commander of the Site Activation Task Force in charge of the Minuteman project in this area.

KENNEDY'S GIANT STRIDE TOWARD NEW FOREIGN POLICY

There's been a crackling drumfire of impatient criticism, both at home and from abroad, because of the lack of any clearly defined foreign policy since World War II.

Now the President has moved to spell out in clarity a new foreign policy—national in scope for the first time in our history—for the handling of tariffs toward freer world trade.

Gone, fortunately, are the 150 years when U.S. tariffs were built or broken on the shifting sands of sectional pressures and log-rolling. Slated for exit, too, is the now quite inadequate Reciprocal Trade Act of 1934 with its barnacles of checkmating restrictions and quantity controls.

There's a new world. The President sees this clearly. So does a mounting segment of the American people, perhaps more than some Congressmen who feel dutybound to woo their constituencies in all their waking hours. Inevitably they must bow to a compelling national interest.

For we must be able, day by day, to negotiate trade agreements we need on a global basis. We have to stand in trading clothes fit for dealing at arm's length with the advancing and enlarging Common Market, with the nations of Latin America, with Japan, with the developing nations of southeast Asia and Africa.

Isolation is dead as a dodo, and we have the knotty problem of holding our own in the highly competitive arena of free international trade. We must also have a free hand to join with the rest of the free world in fighting the formidable monolithic juggernaut of Communist aggression so bent on world domination.

The necessary temporary adjustments in our domestic economy pale into insignificance when measured against the so much larger problem of economic survival and the growth of the Nation in the years now rolling.

To preserve our Western heritage, to hold our rightful place among the family of nations, it is time to set our house in order. With admirable foresight, the President has acted. We think the Congress should approve this new foreign policy as a matter of the greatest urgency.

DEAN RUSK, SECRETARY OF STATE

Mr. MANSFIELD. Mr. President, Courtney Sheldon, writing in the Christian Science Monitor of February 7, 1962, has given us a perceptive evaluation of the Secretary of State, Mr. Dean Rusk. In a sentence, it adds up to a portrait of an American more concerned with making accurate decisions than with making headlines. It is a thoughtful article which pays tribute to the Secretary's outstanding diplomatic achievement at Punta del Este and his patient, steady progress in directing the foreign policy of the Nation in accord with the policies of the President.

I ask unanimous consent, Mr. President, that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FROM A CORRESPONDENT'S NOTEBOOK (By Courtney Sheldon)

After his press conferences Secretary of State Rusk usually reads only part way through the stenographic transcript before turning the chore over to subordinates. What changes he makes are usually stylistic.

Last week he read his press conference on the Punta del Este meeting in full before authorizing the release of the text.

The tireless diligence and diplomatic skill of Mr. Rusk at Punta del Este could go far toward raising Mr. Rusk's stature as a Cabinet official.

Most of Mr. Rusk's negotiations with the Soviet Union and with Western allies over Berlin policy have been behind a diplomatic curtain. His negotiating ability has been hard to judge. The Punta del Este negotiations, by contrast, were very much out in the open, squabbles and all.

The usual Rusk press conferences, held about as infrequently as the President's, are models in some ways. They may not be as productive in a news way as correspondents wish.

But the mechanics are far better than the larger and more uncontrolled Presidential press conferences.

Originally Mr. Rusk held his press conferences in the same large State Department auditorium as the President. Lately, he has preferred the international conference room.

The conference room is a far more informal setting. Mr. Rusk remains seated and appears in a more communicative mood there, though never expansively so.

There is none of the shouting for attention that characterizes the Presidential conference. The President seems to follow no particular order in selecting correspondents.

Getting the President's attention is sometimes the result of having a voice which carries, spring in your legs, and willingness to risk impolitely interrupting the President in the middle of a statement.

On numerous occasions it has been possible to watch the President's attention diverted step by step across the auditorium in the direction of a persistent correspondent with a penetrating voice.

Mr. Kennedy does not single anyone out when he sees they have been patiently waiting, Mr. Rusk does.

He first attends to the regular State Department correspondents who surround him in front. Then he deliberately looks over their heads for other questioners.

Mr. Rusk's press conferences have not been the drawing cards that former Secretary of State Dulles' were. There was a feeling at first among many correspondents he was too cautious, too moderate, lacking in color and dynamism.

Within the last few months some of the veteran correspondents have sensed a change in Mr. Rusk. It is felt it is traceable to the reshuffling of the high command in the State Department. Mr. Rusk appears, from the outside, more the boss.

If anyone expects Mr. Rusk suddenly to step out of character and turn into a bombastic, headline-grabbing Secretary of State, he hasn't seen much of Mr. Rusk in action.

He is a thoroughgoing team man, one who isn't concerned whether he himself gets the personal credit, though he would be a very unusual person if he didn't object, way behind the scenes, to being blamed for failures which might be more attributable to others than him.

What strikes an observer about Mr. Rusk is his almost uncommon patience. The fact that he did not obtain his job because of political influence, came up the ladder the hard way, and doesn't throw his weight around in public, are not necessarily assets by Washington's standards.

But they make Mr. Rusk very attractive as an individual. Those who take the time to read his public comments and speeches thoroughly find he is an exceptionally thoughtful and balanced individual.

Those who make too quick an assessment of him on the basis of what appears on the surface may well change their opinions as time goes on.

THE LATE SENATOR ANDREW F. SCHOEPEL—RESOLUTION

Mr. SPARKMAN. Mr. President, I send to the desk a copy of a resolution on the death of our late colleague, Senator Andrew F. Schoepel, which was adopted by the Small Business Committee at its executive session on Thursday, February 1, 1962.

The members of the committee have requested me to have this resolution printed in the body of the RECORD; consequently I ask unanimous consent that this may be done at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the members of the Senate Small Business Committee were saddened to learn of the death of our friend and associate, Andrew Frank Schoepel; and

Whereas his advice and counsel in the decisions of the committee could be unfailingly relied upon; and

Whereas each one of us must personally feel a deep sense of loss by being deprived of his friendly presence: Now, therefore, be it

Resolved, That the members of our committee do at this time express our sorrow that he is no longer among us, and direct that the clerk of the committee send a copy of this resolution to the family of our departed colleague.

IT IS TIME TO SUBSIDIZE THE NATION'S GOLD MINES IN THE PUBLIC INTEREST

Mr. GRUENING. Mr. President, how effective have been our national measures to stop the outflow of gold?

In his state of the Union message earlier this year, President Kennedy told us the problem is not yet solved. One has only to look at the state of our declining gold supply to find the reason.

Little more than a year ago our gold supply was considerably larger than it is today. That figure on February 3, 1961, was nearly \$17.5 billion. That figure as of February 5, 1962, was not quite \$16.8 billion.

Let me cite the specific amounts for 1960, 1961, and 1962, as they were given to me by the U.S. Treasury Department's Office of Domestic Gold and Silver Operations:

Date:	Gold bullion on deposit
Jan. 31, 1960-----	\$19,143,560,721.00
Feb. 3, 1961-----	17,436,295,834.22
Feb. 5, 1962-----	16,790,080,826.75

In his state of the Union message on January 11, 1962, President Kennedy discussed our balance of payments. As he outlined U.S. efforts to safeguard the dollar, the President expressed his belief that—

Confidence in the dollar has been restored. We did not—and could not—achieve these gains through import restrictions, troop withdrawals, exchange controls, dollar devaluation, or choking off domestic recovery. We acted not in panic but in perspective. But the problem is not yet solved.

Mr. President, I agree that the problem is not yet solved, and I wish to call attention to the President's welcome and most encouraging words which assured those of us from mining States that the administration has no intention of "choking off domestic recovery." These four words strike "paydirt."

Since 1934, the price of gold has remained at \$35 per troy ounce. This constancy prompted Mr. Alvin Kaufman, mineral economist of the Bureau of Mines, to express the following opinion in the December 1961 issue of *Mining Engineering*:

The decline in gold output resulted from a lack of incentive to produce because of rising costs and the fixed price of \$35 per ounce, as well as from a decline in reserves.

Elsewhere in the same issue of the magazine, I read:

High costs, limited transportation facilities, lack of skilled labor, and limited local investment capital plague the development of a mineral industry in Alaska.

And:

Unless its price is boosted substantially, gold output will contract severely in the next few years.

Economists may well observe that our country is facing a very serious situation. But so are the Nation's gold miners. What can be done to help correct these dilemmas?

Pending before the Senate Interior and Insular Affairs Committee is Senate Joint Resolution 44. It has the simple and realistic aim of encouraging the discovery, development, and production of domestic gold.

It considers the complexities of the existing situation so far as gold is concerned, and proposes that incentive payments be made to miners who produce new gold within the United States, its territorial possessions, or the Commonwealth of Puerto Rico. Such incentive payments would not exceed \$35 per ounce of new gold. Such payments for new gold would cease when the gold reserves of the U.S. Government equal or exceed \$23 million.

As my able colleague the junior Senator from Idaho [Mr. CHURCH] observed recently on the floor of the Senate:

Under the terms of this resolution, the monetary value of gold would remain un-

changed at \$35 an ounce, but the Secretary of the Interior would make incentive payments, up to an additional \$35 an ounce for new production.

This proposal first was offered February 2, 1961, by Senator ENGLE, for himself and for Senator CASE of South Dakota and Senator KUCHEL.

Nearly 30 years have gone by since our Government took a realistic look at the costs involved in gold mining. The expense in some instances is many times that of 1934, when the price of gold last was adjusted.

Mining officials in Alaska agree that an increase in the price of gold would greatly stimulate State economy.

Less than 1 year ago the Governors of the Western States urged incentive or bonus payments to assure domestic gold producers a fair economic return.

No one—certainly not the miners themselves—would ask that the gold miners of this Nation receive undue advantage over the workers in other industries. But it is my contention that the miners of gold have been neglected. This Government manages to look out for most of its special-problem areas. But it has failed to see the storm signals in the gold mining industry.

When we look at the uses of gold today we see that gold is an active part of the space age, as well as the backbone of our economic well-being. Let me describe briefly two atomic-age uses of this metal which are noted in the 1960 *Minerals Yearbook*:

First. Gold is used for gold coatings in steering jets for space vehicles, to reflect cosmic radiation. It helps safeguard our astronauts.

Second. Gold was used to plate the pressure-seal jacks used in constructing large valves for a nuclear power station, for protection against acid corrosion under high pressure at elevated temperature. Thus, this metal of all ages assumes a new role on the New Frontier.

How would Senate Joint Resolution 44 affect Alaska? Commissioner Phil R. Holdsworth, of the department of natural resources of my State, suggests that the proposed subsidy would ignite a surge in prospecting which he believes could result in new discoveries of base metal ore bodies, as well as in the discovery of more gold deposits.

During the calendar years 1959 and 1960, the mining industry in Alaska produced approximately 180,000 ounces of gold each year. The estimated production for calendar year 1961 is 113,000 ounces, according to Commissioner Holdsworth. This rather large drop in production has come about as the result of curtailed operations on the part of the U.S. Smelting, Refining & Mining Co. at both Fairbanks and Nome. A further cutback is anticipated if existing practices and prices continue.

However, the subsidy proposed in Senate Joint Resolution 44 would probably result in a doubling of the 1961 gold production in Alaska, and would assure continuation at that level in future years.

Is there a need to boost production? Indeed there is. I am more than a little concerned by world production figures appearing in the 1960 *Minerals Yearbook*,

which show the United States producing 1,679,000 ounces in 1960, as opposed to U.S.S.R. figures of 11 million estimated ounces. All of us should be concerned about this.

Mr. President, Senate Joint Resolution 44 merits immediate attention and favorable action, for it will go far to reverse the trend of a dwindling gold reserve. It should be noted that this legislation in no way changes the price of gold on the world market—with whatever consequences such a change would bring about.

I ask unanimous consent that an editorial entitled "A Realistic Appraisal of the Gold Situation," which appeared in the *Fairbanks, Alaska, News-Miner* of November 25, 1960, and an editorial entitled "There's Still Gold in Them There Hills," which appeared in the *Anchorage News* of January 25, 1960, be printed in the *Record* at the close of my remarks. I also request that the world production figures of gold, appearing on pages 519 and 520 in the 1960 *Minerals Yearbook*, be printed in the *Record* following the aforementioned editorials. This information covers the years 1951 through 1960.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRUENING. Mr. President, I also ask unanimous consent that my name be added to those of the junior Senator from California [Mr. ENGLE], the senior Senator from California [Mr. KUCHEL], the junior Senator from South Dakota [Mr. CASE], and the junior Senator from Idaho [Mr. CHURCH], as a cosponsor of this joint resolution.

The VICE PRESIDENT. Without objection, it is so ordered.

EXHIBIT 1

[From the *Fairbanks (Alaska) News-Miner*, Nov. 25, 1960]

A REALISTIC APPRAISAL OF THE GOLD SITUATION

Most sought after of all the metals throughout the ages has been gold, and its history has been most turbulent.

It has featured in the creation and crumbling of empires, as men fought and died for its possession. It has been the foundation of personal and national wealth and it has never been equaled, either as a standard of monetary value or medium of exchange.

Although the gold standard disappeared nearly 30 years ago and national currencies are no longer backed by this precious metal, individuals, even nations retain their long-lived confidence in it. A universal criterion of worth is "as good as gold."

There have been thousands upon thousands of words written in recent weeks by news analysts and financial experts about the current gold situation in the United States: why the U.S. gold reserve is being so rapidly depleted, who is at fault, and the reasons for the ominous gold buying by foreign sources.

The only realistic answer, which in our opinion, is to get more new gold into the Treasury, is never mentioned by the experts. Do that and the gold crisis will be over.

In our opinion, one way to keep from disturbing the world market, would be to subsidize the miners who produce the gold—guarantee a subsidy for a certain period of time so that the mining industry can invest in efficient machinery, put the lagging industry on its feet, and the United States back on an even keel. Then the crisis would no longer exist.

It's an issue that must be faced, and the sooner the better. The time for theorizing is past.

[From the Anchorage (Alaska) News, Jan. 25, 1960]

THERE'S STILL GOLD IN THEM THERE HILLS

Perennially, the then Delegate in Congress introduced bills in Congress to increase the price of raw gold or to permit U.S. mined gold to be sold on the world market. Again this year as a U.S. Senator Mr. BARTLETT is seeking a remedy to the Alaska gold mining industry through congressional action.

We have backed this philosophy continuously. It is obvious the price of gold must go up if mining is to survive. Recently the Fairbanks News-Miner again pointed up the reasons why Alaska needs a higher gold price.

It is well put here:

"A boost in the price of gold would have a healthy, stimulating effect on an Alaskan industry which seems about ready to give up the ghost.

"Virtually every cost which mining industry must contend with has continued to rise over the years while the price of gold, held down under an artificial ceiling has remained stationary—and low.

"The cost of labor, equipment and prospecting all have moved skyward—so high in fact that these costs are slowly stifling Alaska's mining industry. A boost in the gold price would bring an immediate change for the better in this unsatisfactory situation.

"Capital would begin to pour into mining once again. Small operators would again take to the field. Abandoned claims would

come to life again. All of Alaska would feel this resurgence of vitality—so long lacking in an industry which was once so vigorous and healthy.

"Mining men with special skills and know-how would return to Alaska. Operations which were unprofitable with gold at \$35 an ounce would be reopened when the price is jumped to \$60 or more as has been proposed. Hundreds of new jobs would be created not only in mining but in the industries which supply it.

"The supply of gold which our Nation needs for its reserves—a supply being steadily drained away by unfavorable trade balances—certainly is not going to increase significantly until something is done about this all-important price boost."

[From the Minerals Yearbook, 1960]

TABLE 14.—World production of gold, by countries^{1 2}

[Troy ounces]

Country ¹	1951-55 (average)	1956	1957	1958	1959	1960	Country ¹	1951-55 (average)	1956	1957	1958	1959	1960
North America:							Africa:						
Canada.....	4,365,720	4,383,863	4,433,894	4,571,347	4,483,416	4,602,762	Angola.....	43	34	26	42	42	42
Central America and West Indies:							Bechuanaland.....	925	590	190	215	198	203
Costa Rica ³		535	705	310			Cameroun.....	2,058	463	10,899	2,009	971	415
Cuba ³	1,120	1,008	915	804	615	348	Republic of.....	7,630	338	614	932	495	291
Dominican Re- public.....	153	290	286	780	513	308	Central Africa, Republic of.....	361,083	370,505	371,020	352,276	347,967	256,000
Guatemala ⁴	182	360	360	370			Congo, Republic of the (formerly Belgian).....	7,11,298	7,289	7,404	6,048	3,665	2,628
Honduras.....	26,390	1,611	2,025	1,714	2,798	2,172	Congo, Republic of.....	876	3,215	4,601	6,430	16,718	5,144
Nicaragua.....	247,464	217,140	203,636	214,882	218,302	210,082	Ethiopia.....	28,575	25,700	25,000	36,369	41,439	40,915
Panama.....	579						Gabon, Republic of.....	7,36,750	33,086	22,727	15,921	16,172	17,696
Salvador.....	16,771	2,983	2,508	2,372	2,474	1,121	Ghana.....	719,065	637,755	790,381	852,834	913,200	878,800
Mexico.....	421,323	350,250	346,328	332,246	313,663	300,256	Kenya.....	11,143	13,843	7,388	7,753	9,145	8,646
United States ⁵	1,905,511	1,865,200	1,800,000	1,759,000	1,635,000	1,679,800	Liberia.....	2,685	10,500	10,381	4,400	1,401	1,036
Total.....	6,985,000	6,823,000	6,790,000	6,884,000	6,657,000	6,797,000	Malagasy Re- public.....	1,562	903	862	797	434	96
South America:							Morocco: South- ern zone.....	3,298	265				104
Argentina.....	6,469	11,381	7,732	3,054	2,178	201	Mozambique.....	1,200	1,247	1,080	695	295	430
Bolivia.....	19,403	35,549	27,685	19,115	35,246	45,457	Nigeria.....	1,003	439	389	646	950	994
Brazil.....	161,000	162,000	150,000	186,000	125,000	120,000	Rhodesia and Nyasaland, Federation of:						
British Guiana.....	21,478	15,815	16,490	17,500	3,448	2,364	Northern Rho- desia.....	2,274	3,367	3,270	3,746	4,704	5,667
Chile.....	146,917	94,459	103,590	110,952	76,294	60,000	Southern Rho- desia.....	509,050	536,392	536,849	554,838	566,883	562,703
Colombia.....	409,708	438,349	325,114	371,715	397,929	433,947	Ruanda-Urundi.....	4,417	3,343	3,215	3,858	3,119	1,566
Ecuador.....	20,073	15,076	16,247	19,685	18,450	15,159	Sierra Leone.....	2,017	6,452				
French Guiana.....	6,620	5,832	8,954	20,000	16,100	18,940	Sudan.....	1,659	3,100	1,158	1,571	2,300	2,605
Peru.....	147,015	159,074	161,831	159,127	150,299	143,766	Swaziland.....	65	252	7			806
Surinam.....	6,617	6,736	6,516	4,258	5,826	4,932	Tanganyika ¹¹	69,349	69,699	63,485	68,250	95,794	106,954
Venezuela.....	30,435	69,826	89,654	76,009	53,766	46,868	Uganda (exports) Union of South Africa.....	391	297	212	329	334	642
Total.....	976,000	1,014,000	914,000	987,000	884,000	892,000	United Arab Re- public (Egypt region).....	12,643,027	15,896,693	17,030,737	17,656,447	20,065,515	21,383,019
Europe:							West Africa (for- merly French).....	14,335	7,697	3,026	1,812	2,486	2,500
Finland.....	18,622	18,229	22,377	22,152	23,374	20,351	Total.....	2,012	431	331	3,247	4,800	4,800
France.....	49,556	30,608	35,173	35,559	48,226	41,796	Oceania:						
Germany, West.....	3,682	4,369	3,681	4,000	4,000	4,000	Australia.....	1,023,590	1,029,821	1,083,941	1,103,980	1,085,104	1,082,784
Greece.....	7,541	3,504	7,877	5,787	4,340	4,823	Fiji.....	78,237	67,475	75,150	86,794	72,565	72,203
Italy.....	10,627	5,726	6,334	4,802	3,261	3,400	New Guinea.....	99,452	79,085	68,664	43,254	46,663	45,019
Portugal.....	19,708	22,120	23,777	17,747	20,769	19,500	New Zealand.....	48,216	26,063	30,195	24,981	36,758	37,000
Spain.....	10,022	11,510	11,901	14,211	15,239	15,000	Papua.....	346	391	466	558	156	132
Sweden.....	86,730	95,745	97,063	127,574	103,000	110,000	Total.....	1,249,841	1,202,835	1,258,316	1,259,567	1,241,246	1,237,138
U.S.S.R. ⁶	9,200,000	10,000,000	10,000,000	10,000,000	10,000,000	11,000,000	World total (estimate) ¹	34,600,000	38,400,000	39,600,000	40,600,000	42,700,000	45,000,000
Yugoslavia.....	36,137	47,808	51,988	55,364	59,640	67,517							
Total.....	9,600,000	10,400,000	10,400,000	10,400,000	10,400,000	11,400,000							
Asia:													
Burma.....	231	179	104	190	212	304							
Cambodia.....		482	1,608	322	4,823	4,180							
India.....	230,610	209,251	179,182	170,090	165,383	160,593							
Japan.....	218,118	241,422	252,563	260,630	261,547	262,350							
Korea:													
North.....	131,000	130,000	130,000	130,000	130,000	130,000							
Republic of.....	28,432	49,903	66,578	72,071	65,690	65,812							
Malaya.....	19,780	20,233	11,157	22,484	26,739	20,745							
Philippines.....	435,760	406,163	379,982	422,833	402,615	410,618							
Sarawak.....	642	599	883	864	2,450	3,326							
Saudi Arabia.....	51,672												
Taiwan.....	28,794	33,131	20,548	21,345	13,497	15,699							
Total.....	1,330,000	1,350,000	1,300,000	1,460,000	1,430,000	1,430,000							

¹ In addition to countries listed, gold is also produced in Austria, Bulgaria, China, Czechoslovakia, East Germany, Hungary, Indonesia, Rumania, and Thailand, but production data are not available; estimates for these countries are included in the total. For some countries accurate figures are not possible to obtain owing to clandestine trade in gold (as, for example, in former French West Africa).

² This table incorporates some revisions. Data do not add exactly to totals shown because of rounding where estimated figures are included in the detail.

³ Imports into the United States.

⁴ Estimate.

⁵ Refinery production.

⁶ Exports.

⁷ Average for 1953-55.

⁸ Output from U.S.S.R. in Asia included with U.S.S.R. in Europe.

⁹ Estimate according to Minerals et Metaux (France), except 1960.

¹⁰ Purchases. Production may be greater.

¹¹ Including gold in lead concentrates exported amounting to the following: 3,314 ounces in 1951-55 (average); 11,871 ounces in 1956; 9,192 ounces in 1957; 11,951 ounces in 1958; 10,391 ounces in 1959; and 8,980 ounces in 1960.

Source: Compiled by Augusta W. Jann, Division of Foreign Activities.

WATER POLLUTION CONTROL ADVISORY BOARD MEETS IN MONTANA

Mr. METCALF. Mr. President, I have just examined the report to Secretary Ribicoff by Robert C. Ayers, executive secretary of the Water Pollution Control Advisory Board. This report summarizes the discussion at the Board's September meeting. I believe many readers of the CONGRESSIONAL RECORD will be interested in portions of this report and, in some cases, excerpts from the 241 pages of transcript taken at the meeting. Let me preface these remarks by reading first the beginning paragraphs of the report to Secretary Ribicoff:

The Water Pollution Control Advisory Board met September 20-22, 1961, in the Montana cities of Missoula and Butte, at the invitation of U.S. Senators MANSFIELD and METCALF of that State.

This was the first of the Board's regional meetings to be held in the northwestern part of the United States and also the first meeting of the Board held open to the general public. Participating in the meeting were members of the Montana State Water Pollution Council, the Columbia Basin Interagency Committee, the Pacific Northwest Water Pollution Control Council, the Wyoming Stream Pollution Control Council, and representatives of various other groups, both government and nongovernment, having an interest in water pollution control. The combined attendance at the Missoula and Butte meetings totaled 562. Forty-nine persons requested and were granted program time to present statements.

Presiding at the meetings were Dr. Luther L. Terry, Surgeon General of the U.S. Public Health Service, on the afternoon of September 20 in Missoula; and Dr. Robert J. Anderson, Assistant Surgeon General, on the mornings of September 20 in Missoula and September 22 in Butte. Both Drs. Terry and Anderson accompanied the tour group on September 21, as hereinafter recorded:

Board members present included: Messrs. John A. Biggs, Charles H. Callison, John Charles Daly, Tom McCann (present September 20-21), and John S. Samson; and Drs. Clair S. Boruff and Maurice K. Goddard. Being newly appointed to the Board by President Kennedy, this was the first meeting for Mr. Biggs and Dr. Goddard. A third new member, Mr. Ed E. Reid, and Board Member Dr. Russell E. Teague sent messages regretting their inability to attend. This was the 15th meeting of the Board since its establishment under the Federal Water Pollution Control Act of 1956, and the 4th of 1961.

Nearly all the witnesses shared a concern over clean water and demonstrated an understanding that each level of government has a responsibility which must be met if our children and our grandchildren are to have the water they will need to live. Among the outstanding statements was the following by Dr. R. R. Renne, president of Montana State College, chairman of the Water Resources Committee of the American Association of Land-Grant Colleges & State Universities, consultant to Secretary of the Interior Udall, and a member of President Truman's Water Resources Policy Commission.

DR. RENNE'S STATEMENT

Friends, I represent the American Association of Land-Grant Colleges & State Universities; as chairman of the water resources committee I have that association as well as

being president of Montana State College at Bozeman. The association has 70 member institutions. This year it is celebrating the 100th anniversary of the founding of the land-grant colleges and universities. This fiscal year is the centennial celebration. There has been a growth in these institutions with the passage of other Federal legislation followed with State legislation. As you know, these institutions have under their jurisdiction, in addition to resident instruction, the agricultural experiment station, engineering experiment stations and experiment services. I mentioned this because this association, the American Association of Land-Grant Colleges & State Universities, is concerned with the problems associated with our water resources. As chairman of the water resources committee of this association, I'm happy to be here today and have an opportunity to say briefly two or three things that may be of interest to all of us. I will confine my remarks to two major aspects, one, a statement of the problem and two, possible solutions.

It is very difficult for us who live in Montana with our large, sparsely populated land areas, and our many relatively clean streams, especially in the western part of the State, to comprehend what is happening to the water supply of our country as a whole. Unless an individual has personally experienced water deterioration or water scarcity, or both, he finds it hard to think in terms of quality and quantity of water relative to the continually growing needs of the Nation and the serious situations that are developing in water quality within our own State and region.

Four natural elements—earth, air, water, and fire—are man's inseparable companions. One of these four, namely, water which is one of the most plentiful substances, remains as a strategic and determining factor in man's progress. Water—its use and misuse—is a major national issue.

Our rapidly increasing population (now some 180 million and predicted to total around 330 million by the year 2000) in our technologically advanced economy with growing needs and with rising standards of national demand, is taxing to the limit our essentially fixed water resources. Our needs for water have climbed to astronomical figures. It is estimated that the per capita need for water for all purposes exceeds 1,200 gallons per day. This figure covers domestic requirements for water as well as those that go into production of the things we eat and wear and use. In some sections of our country and region water is in short supply, while in many sections far too much water is made useless by uncontrolled pollution. The result is that water pollution control today is a major instrument in effective water resource conservation.

Looking first at the quantity of water available for our use and bypassing for the time being the quality aspects, total use of water estimated for the year 2000 for the Nation as a whole will approximate one and a half times the flow of all streams (streams where streamflow is available 50 percent of the time). This assumes that all streams would be regulated to the maximum degree to get the greatest possible amount of water from them. The fact that total needs for water in the year 2000 exceed the total streamflow indicates that there must be some regions or areas in the country which will be acutely short of water supplies, since some other areas have an overabundance of water. Much greater reuse of water and conversion of salt water from the sea may help meet the increased needs.

Taking the 17 Western States (roughly the area west of the 100th meridian) with a current population of nearly 44 million, the estimated population of this region by 1980 will be approximately 66 million and in the

year 2000, 97 million. The estimated increase in population of the Western States for the next four decades is some 124 percent compared with only 83 percent for the United States as a whole. Obviously, this more than average estimated increase in population for the 17 Western States will mean excessively heavy demands upon the water resources of the area.

It is estimated that only 2 of the 9 water resource regions of the 17 Western States will have a surplus of water over projected needs for both 1980 and the year 2000. For example, the Pacific Northwest will have nearly five times as much water as will be needed in 1980 and almost four times as much in the year 2000. The Central Pacific will have about one and a half times more supply than demand in these years. The remaining seven of the nine water resource regions in the Western States will be deficient in supplies relative to demands either in 1980 or by the year 2000. In the case of the western gulf and upper Arkansas-Red Rivers, supplies will be more than adequate through 1980, but by the year 2000 will be only 90 percent adequate. In the Great Basin supplies will be only 80 percent adequate by 1980 and only 70 percent adequate in the year 2000. In the upper Missouri River in which we Montanans are most interested, water supplies will be 80 percent adequate in 1980 but only 70 percent adequate in the year 2000. In the Colorado River region, supplies will be only 50 percent adequate by 1980 and through the year 2000. In the upper Rio Grande-Pecos Rivers area, water supplies will be only 0.14 of those needed by 1980, and only a 10th of the water demands can be met by the year 2000. The south Pacific area is the most deficient water resource region in the country. In 1980 it is estimated that this area will have 0.03 of the quantity of water available that will be needed and for the year 2000 only 0.02.¹

It can be seen from the above data that the Nation as a whole and many regions of the country will be desperately short of water in the next three or four decades. However, in addition to a very acute problem of short supply we are faced with an increasingly serious problem of water pollution resulting from poisons, chlorides, detergents, fertilizers, insecticides, weedicides, fungicides, and many other poisonous substances that will be discharged into our streams. For example, in 1960 some 500 million pounds of economic poisons were produced for use as insecticides, fungicides, weedicides, and chemical fertilizers. It is estimated that if treatment were to double current levels the waste load would still rise twofold. One writer refers to it as "a tidal wave toward a technological utopia resulting in a setting replete with contradictions, frustrations, conflicts, and competitions."²

Under such conditions it will become increasingly difficult to maintain some sense of balance in our physical environment. From an evolutionary point of view there are only two major types of species—one that maintains itself in equilibrium with other living things about it and another that destroys its environment for the sake of its own immediate perpetuation. Many would have to conclude that man has been behaving like the second type. It is generally agreed by thoughtful students and observers in many fields that man is doomed to extinction if he cannot be persuaded to live in

¹ "Water Resources Activities in the United States: Water Supply and Demand," Select Committee on National Water Resources, U.S. Senate, Committee Print No. 32, Washington, D.C. Government Printing Office, August 1960, 131 pages.

² Mark D. Hollis, "Water Resources and Needs for Pollution Control," Water Pollution Control Federation Journal, vol. 32, No. 3, pt. I, March 1960, p. 226.

equilibrium with his environment. He is dependent upon a very complex life process and must learn to respect and protect this process at every step for his own self-preservation. Obviously, universities and colleges with their educational and research staffs should play a strategic role in preparing our young people to understand this interdependence of man and his physical environment in this complex life process. Modern man with an arrogant supposition that nature can be manipulated or ordered to meet his whims has all but abandoned this interdependence concept. Obviously, compared with spectacular and dramatic events like races to the moon, conservation of natural resources and water pollution control have little glamor. A tremendous job of education as well as research is needed badly in the conservation of our water resources and their qualifying control.

In analyzing our present situation and the things which have been occurring in recent years, it would be safe to assume rather general agreement on at least four major predictions for the coming two to four decades: (1) our explosive population growth will result in gigantic metropolitan-industrial complexes and at rapidly increasing rates of growth; (2) a continuing avalanche of technological change at an ever increasing tempo which will outmode our traditional methods of measuring and equating impacts on water resources, both quantitatively and qualitatively; (3) somewhere on our growth curve the predictable microbiological pollution together with the less predictable contaminants from exotic chemical substances will produce composite effects with sobering potentials;¹ and (4) our current waste treatment technology is not equal to the trends of the times and at best can with considerable cost, reduce only to some degree traditional organic pollution, but is in no sense adequate to meet effectively the anticipated buildup in pollution resulting from wastes associated with new substances.

It is estimated that by the year 1980 only 50 percent of our population will be served by water adequate in quantity and quality, and by the year 2000 only 47 percent. Another 43 percent in the year 1980 will be served with water adequate in quantity but low in quality and this proportion will reach 44 percent in the year 2000. By 1980, 7 percent of the population will find its water supply inadequate both in quantity and quality and in the year 2000, 9 percent.²

Our present methods of determining the extent of pollution in streams were developed in the very early stages of modern sanitary engineering, and were reasonably satisfactory yardsticks prior to World War II for the pollution situation which existed then. Of course, they are still important in terms of control of pollution by dilution and to the measurement of self-purification phenomena of streams, but they are grossly inadequate as effective measurements when the reuse of water supplies becomes a dominant factor in many regions and as the character of pollution changes. These pollution changes involve wastes from industrial sewers but more particularly the changing character of metropolitan waste and the buildup of chemical pollutants in runoff waters from agricultural, forestry, and land use practices.

A few decades ago attention was directed by public health agencies to water supply and sewage disposal in terms of the problem of controlling germ diseases, largely enteric infections. The great progress made by American medical science and public health agencies does not need further mention here. However, these great successes contributed to the development of modern urban congestion, and in themselves have created new types of problems. Of course, the danger of

waterborne germ diseases will continue, may even be multiplied in the years ahead; but in general we know what to do and how to do it to control these particular types of problems. But we must also note the unresolved difficulty of how to control the known distribution of virus infections to places many miles from their origin through the contamination of underground water.

Medical science is now concerned with broader health problems which stem from new types of water pollutants. That is, pollutants that have their origin in exotic substances, primarily new chemicals. Workers in the public health field simply do not yet know the behavior of most of these substances in streams and in water treatment and sewage treatment methods. Medical people say that even less understood are the health effect potentials, particularly from long-term exposure to lower concentrations; and treatment of atomic energy wastes is still a problem of great hazards.

It is likely that the chronic effects from these types of substances will be subtle and much less obvious and definitive than were the germ diseases, which means they will be much more difficult to pinpoint and will be involved in many complex interrelationships. In addition to all this complexity is the stepped-up pace of change associated with our rapidly advancing technology and scientific applications.

What are the solutions of the water pollution problem? Abraham Lincoln is quoted as having said "You can't escape the responsibility of tomorrow by evading it today."

Most scientists believe that the answers to the complex pollution problems growing out of our highly concentrated metropolitan and industrial areas and the increasing discovery and use of exotic chemicals can be found; but perhaps a more important aspect is whether there is time to find such answers before serious damages result to public health and whether there is a willingness on the part of taxpayers and the public to devote adequate funds to achieve effective and adequate answers. Many are afraid that with the rapid pace of our technological advancement serious economic problems will be experienced before there is adequate determination of the chronic health impairments. This thought should make all of us, but specifically those of us in public service, and especially those of us in our educational and research agencies and institutions, dedicate ourselves anew to the solution of the scientific, technological, economic and political problems associated with present-day water pollution.

Some specific programs that could be followed which would help to bring water pollution under reasonable control are the following:

(1) A stepped-up rate of building municipal waste treatment plants. Currently the rate is around \$400 million per year, but many medical people and sanitary engineers believe that a per annum construction rate above \$500 million is needed. It should be kept in mind that present construction represents for the most part only partial and primary treatment.

(2) There exists widespread lack of adequate data on actual stream quality. There has been only limited coverage of major streams for a short time but even so the data makes very sober reading. Total stream monitoring must be put on a more scientific basis, in place of present methods and programs which have been spotty and sporadic.

(3) Perhaps our greatest need is more adequate research to develop completely new methods of waste treatment. A comprehensive program of pollution control to meet present and prospective pollution problems associated with our advancing technology and increased use of exotic chemicals cannot be found by relying upon concepts developed

in and passed on from radically different times. It is said that no basic scientific breakthroughs in the field of waste treatment have occurred for 40 years. It is becoming more and more apparent that what is needed primarily is an economically good process for removing soluble molecules or ions from waste materials. Scientific research may also result in producing economically valuable salvage in contrast to the current situation where salvage is mostly in the talk stage.

Who should control pollution and who should pay the bill are two very important questions uppermost in the minds of many who are concerned with our water pollution problems. Montana and many other States have excellent water pollution acts on their statute books, which, if properly administered and adequately carried out, would greatly improve the quality of our streams and water supplies. Our Federal Government has passed legislation which, with 1961 amendments referred to as the pure water bill, established new enforcement procedures, provided for substantially increased financial aid to State and interstate water pollution control agencies, and to municipalities through program and construction grants. Obviously, the legal mechanics by which local communities, municipalities, State agencies, and the Federal Government can cooperate effectively to solve water pollution problems which exist. If an informed and aroused public really wants effective pollution control the public can have it.

However, there is widespread lack of understanding and general apathy toward the seriousness of present-day water pollution. The average individual does not see clearly how his own individual health or that of his immediate family is directly involved or affected by the soluble molecules and ions of exotic chemicals hidden in industrial and agricultural wastes or by the viruses that survive ordinary treatment in sewage disposal plants. However, the average American does have a very high regard for scientific knowledge, which means that there must be a strong and continuing research and educational program if citizens in local communities and at the State and Federal levels are to insist upon and give adequate support to an effective water pollution control program. Our public higher educational institutions have a major responsibility in this field. In Montana we should be acutely aware of this and prepare to meet the problem before our clean streams and underground waters become polluted and present us with the difficulties that so many other States are now trying to meet. Our citizens have a right to adequate supplies of potable water. Thank you.

Dr. Renne was followed by Mrs. M. Y. Foster, president of the Montana League of Women Voters. Her statement follows:

LEAGUE OF WOMEN VOTERS STATEMENT

Dr. Anderson, members of the Board, ladies and gentlemen, you gentlemen are not alone in your concern about water and water pollution. We women also are concerned with our vital supply of water and what happens to it. I would like to tell you briefly some of the activities of women throughout the United States who have for a number of years been interested in water resource development.

I am president of the League of Women Voters of Montana. I wish to tell you how pleased the league is that you are holding your fall meeting of the Board here in Missoula, and to thank you for giving us the opportunity of expressing ourselves here today.

The League of Women Voters of Montana has been interested in water pollution

¹ See Hollis, *ibid.*

² See Hollis, *ibid.*

abatement since 1954 when Missoula league members made a streamside examination of the Clark Fork River to see for themselves the pollution invading the river.

The failure of the city of Missoula in years past to construct a sewage system and treatment plant and to provide for the pollution abatement of the Clark Fork River has been of special concern to league members in Missoula. A constant study program and continued public education resulted in the adoption of a bond issue early this year by a sizable majority of the voters authorizing the construction of sewage lines and a sewage treatment plant. Missoula league members recognize this problem as being similar to problems of other cities and are eager to add their voice to the growing chorus in support of better water resource development and control of pollution.

Local league members joined others in the State of Montana in the study of the problems of pollution of the Clark Fork River; became interested in the study of the Columbia River Basin; assisted in the preparation and editing of the Great River of the West, a publication produced by the leagues of Oregon, Washington, Montana, and Idaho; studied congressional and agency material; and made statements at Senate hearings.

Montana league members made a study of the Montana code and found that pollution is termed therein as alteration of the physical, chemical or biological properties of water which renders them harmful or detrimental for their most beneficial use.

Following an examination of the Montana codes and a compilation of reports from local members, the League of Women Voters of Montana was convinced that enforcement of existing legislation would do much to clean up the streams and that members must embark upon a legislative program at State and national level to provide as soon as possible for a stream pollution abatement program. The difficulties encountered by supporters of such legislation is well known throughout the State and the presence here today of a representative of the League of Women Voters may be construed as an indication of unrelenting determination to see that legislation is enacted and carried out which adequately provides for stream pollution abatement in the State of Montana and elsewhere in the Nation. For health reasons, the Montana league sees no alternative to Federal cooperation to insure compliance with pollution control legislation.

The League of Women Voters of Montana has watched with interest the case of St. Joseph, Mo., the only city to date to be taken into court under the enforcement provisions of the Federal Water Pollution Control Act. It is encouraging to note that for a thousand miles along this great river cities are planning, building, or operating sewage treatment plants. The change will not be immediate, but it is hoped that this attitude of cooperation will before long bring under control the Missouri River pollution situation, and lead the way for other areas to do the same.

Because league members in their own communities all over the United States have become so interested and active in working toward pollution control, the League of Women Voters of the United States has been able to express volubly and forcefully its support of Federal legislation in behalf of better water pollution abatement. It is the work at the local level of government which has made the league such a strong supporter of the Federal Water Pollution Control Act, signed into law by President Kennedy on July 20.

This also explains why league members will continue to watch and support local, State and national programs which promote better pollution abatement. They hope that the States and local communities will take full advantage of the help now available

through the Federal program and that the Federal Government will push the program with vigor.

League members know that the natural flow of water is no respecter of State lines, that water pollution is no respecter of State lines, and that local, State, and Federal governments must work together to control and eliminate pollution.

The league recognizes that voluntary compliance with pollution control programs is highly desirable to all citizens, local, State, and National. For health reasons alone, it is imperative that pollution abatement programs be undertaken throughout the State of Montana and the other 49 States as a cooperative project with the Federal Government.

The League of Women Voters of Montana firmly believes that pollution control is one of the major parts of the problem of water resource development. We believe it is a national problem and one which must have Federal support to assist States and local governmental units to embark on adequate pollution abatement programs.

League members in Montana appreciate the opportunity of speaking before this hearing today and we hope that we can work to encourage our State to carry its share of the task of cleaning up and keeping clean the rivers of Montana and the Northwest. Thank you.

In his own words, Dr. G. D. Carlyle Thompson, executive officer of the Montana State Board of Health, "filled in a few of the gaps" in previous testimony. His statement was as follows:

DR. THOMPSON'S STATEMENT

Dr. Anderson, Mayor Waldbillig, Governor Nutter, ladies, and gentlemen. As you will see from my remarks today I'm going to fill in a few of the gaps which the Governor obviously could not include in his excellent summary.

The Montana State Board of Health has been concerned with stream pollution in one phase or another since the original law was passed in 1907. This was not a comprehensive law but it did give the State board of health authority to correct stream pollution problems when there was evidence existing that the waste was polluting water used for drinking.

The 1907 laws were amended in 1911, 1917, 1921, and 1945. With these various amendments, the coverage became broader—yet the pollution had to be related to health before action could be taken. In 1953 there were 105 communities disposing of waste in streams. Only 20 had adequate sewage treatment plants serving 125,000 people. There were 48 other communities serving 60,000 people with inadequate or partial treatment, and there were 37 communities with 151,000 people discharging raw sewage into the streams. Today only nine of these communities still lack treatment and only one is still without plans or a committed date for completion of a sewage treatment facility.

In order to improve the situation as found in 1952, the Montana State Board of Health that year adopted a policy requiring all municipalities to adequately treat their sewage before discharging to a watercourse. The policy was flexible, recognizing the many problems involved and the importance of correcting the most serious problems first. Therefore, the early effort was directed at communities who were discharging raw sewage, it being the plan to upgrade, at a later date, the sewage treatment of those communities having partial treatment. A few exceptions were made where the partial treatment was particularly serious, and in one instance exception was made regarding the immediacy of pressing for treatment of raw sewage.

The policy in general provided a maximum of 5 years for municipalities to prepare plans for sewage treatment and 2 additional years for completion of the plant. By 1959 all cities were to have sewage treatment plants. It did not work out quite that way, since as always, some did meet this objective, but others did not for various reasons, usually financial. As a result, in place of 20 communities in 1953, there are now 91 with adequate treatment serving approximately 322,000 persons. There remain 35 communities, having a total population of about 78,000, in various stages of working on the problem. Of these 35, 5 have new plants under construction, 5 have voted their bonds and have the money available, and 6 are in the preliminary planning stage or have their plans already prepared. There is but one community of about 600 persons that has done nothing toward treatment. There remain 18 communities with the inadequate treatment. These 18 communities serve 13,000 persons.

In summary then, Montana's municipal wastes picture from 1953 to 1961 has changed as follows:

From 20 adequate treatment plants in 1953 to 91 in 1961;

From 48 inadequate treatment plants in 1953 to 26 in 1961;

From 37 raw sewage discharging communities in 1953 to 9 in 1961; 3 of these have treatment plants under construction, 3 have their financing and engineering plans, 2 are working on their plans and finances, and only 1 has not shown progress.

This makes a total of 105 municipalities discharging sewage in 1953 and 126 in 1961—an added 21 sewer communities using the streams in this 8-year period.

Thus, the first and major problem of raw sewage discharge is just about corrected, and we are not changing the emphasis of our work to the remaining 26 communities that must improve their present inadequate treatment plants.

In order to develop and carry on a program that would permit us to move from 20 adequate plants in 1953 to 91 in August of this year, we were assisted by several developments. These developments included education efforts, the use of sewage lagoons, more comprehensive legislation, and Federal pollution control and construction grants. The lagoon method of sewage treatment is relatively inexpensive as compared with the mechanical sewage treatment plant and gives an excellent effluent or none at all. Our first lagoon in Montana was placed in operation in 1953 at Plentywood. We now have 63 lagoons in operation in Montana.

In 1955 the Montana Legislature passed a comprehensive water pollution control law establishing a council to cover all phases of water usage. Mr. Palmer, chairman of that council, will tell you about this group and their activities.

In 1956, the Congress made available grants to assist the communities in the construction of sewage treatment facilities. Montana's total grant amounts to a little over \$500,000 each year. This has been allocated to the municipalities to cover 30 percent or \$250,000 of the cost of sewage plant construction, whichever was the smaller. This money was allocated on priorities which were based upon need for treatment and need for assistance. Since 1953, \$11 million has been expended in Montana for sewage treatment works which are either completed or are now in process. Two and one-half million dollars was Federal and eight and one-half million dollars was local funds. In the 4 years prior to 1956, the first year of the Federal construction grants, slightly under \$1 million local funds was expended in Montana, the balance, or \$7½ million have been expended since 1956. Since 1956, 4 projects used only local funds while 48 involved Federal

funds. Projects involving only local funds, both prior to and following the availability of Federal construction grants, were small, the largest such project being for a community of about 2,500 people. It is apparent that the use of Federal funds gave the greatest impetus to sewage treatment construction works of the larger communities. It is also apparent that while Federal funds assisted with the improvement in Montana's stream pollution, that the bulk of the financial responsibility was carried in Montana.

These factors, together with a national understanding of the need to protect streams and our own educational programs in Montana made possible a favorable vote by the citizens in the various communities in Montana. The usual majority was more than 2 to 1 voting in favor of sewage treatment. In one instance, a majority of 144 voted for sewage treatment to 1 against. I believe this shows the people really believe in sewage treatment. We did have two communities that voted against sewage treatment on the first ballot, but later reversed themselves, and now have sewage treatment installed. It has been necessary to prod some communities into action and in one case the city council who failed to take action after the voters approved the bond issue. This prodding took the form of four formal orders that were issued by the board during these years. It proved unnecessary to take any of the orders to court and the city council and the voters subsequently took the needed action which brought about support for sewage treatment. It must be recognized, however, that such an order of the board had once been carried through the Montana Supreme Court on appeal by one of our cities. The court ruled in favor of the board in this case. In all communities where bond issues were needed, the State board of health furnished, on request, the services of its staff, particularly the engineers and health educators, convening with community groups to discuss the problem.

Concurrent with the effort to improve municipal waste disposal, work with industry progressed to improve industrial waste disposal. Most industries were practicing some degree of waste control before 1953, but since then most of the industries of the State have worked diligently to reduce the strength of their waste and some have practically eliminated their wastes from the streams. One of these streams the advisory board will view tomorrow when it visits the Anaconda operations in the Clark Fork River.

The Yellowstone River has produced tastes and odors in drinking water of downstream communities for many years at irregular times but periodic and sometimes seasonal intervals. Extensive studies of the Yellowstone River have been made to attempt to identify the cause of the tastes and odors. Further study is still necessary. This may yet require extensive monitoring of the river on a continuing basis to identify possibly waste outlets which cause in themselves or in conjunction with other factors, the tastes and odors in the river. But, nevertheless, the extensive expenditure involved in the practical elimination of untreated municipal waste and the extensive expenditures for the control or elimination of industrial wastes on this river may solve the problem of taste and odors before the full causal relationship is determined. But because of difficulty in always identifying certain industrial wastes, some degree of continual monitoring may be necessary in order to identify sources of illegal pollution.

It has always been recognized that there were also individual polluters with raw sewage but that the initial effort should be made with the problem that contributed the largest volume and affected the most people. Recently the program has been directed to individual polluters with emphasis

in the beginning of this activity on the Flathead Lake. It is anticipated that the bulk of the individual pollution problem will be corrected through educational efforts and direct identification of the polluters.

While our population has increased and more communities are using the streams for waste disposal, Montana's streams have greatly improved. While we do have problems in some areas which have not been completely solved, we have recovered many miles of streams. Instead of some gray streams that were quite turbid, most of our streams in the State are now sparkling clear and an invitation to fishermen and others to enjoy our streams. Reduction of wastes has assisted in making better water available for drinking to many of our communities that depend upon streams for their drinking water, and it has reduced costs or made more suitable the water used for industry and agriculture.

An interesting sidelight is that approximately one-half of the lagoons built in the State to serve municipalities do not have an overflow. The liquid from these ponds is removed by seepage and evaporation. Elimination of raw sewage, even the effluent in some cases from our streams, has greatly improved the quality of the water in our rivers and lakes. Most Federal installations in Montana have gone along with this program. There are only two installations where improvements are needed. We believe these will be corrected in the not too distant future.

A problem that could be serious has come to the forefront this year with the heavy grasshopper population. This is the use of insecticides for the control of insects both for agricultural purposes as well as for forest protection. For the past several years, the use of insecticides and weedicides has been increasing. We know that the insecticides have been the cause of fish-kills on the Yellowstone River. There have been no reported illnesses in humans traced back to these materials. I believe this is a problem which should be further evaluated in an effort to determine whether or not these materials affect humans. If there is a human effect, what is the maximum concentration that can be permitted in the stream before it is unfit for humans to drink?

The other question before us: Will small quantities in the drinking water that are ingested by humans accumulate in the body and eventually cause illnesses?

The weedicides and insecticides get into the water by direct spraying from airplanes, and being washed by the surface runoff and irrigation waste water into the streams. We would like to recommend that research be encouraged to determine the total problem which is facing us in this respect.

Another problem which I will not describe in detail relates to the matter of the increasing use of detergents and their disposal through municipal wastes. In Montana, we have no practical experience with this problem as it relates to public water supplies but mention is made of it here because of its potential in the future, especially as it affects the operation of today's sewage treatment plants. As with insecticides and weedicides, this matter needs more research.

What we have done in Montana has not been done rapidly and it has not been due to just one factor. Through the efforts of many working together, we believe there will be proper sewage treatment as well as proper industrial waste disposal throughout the entire State in the not too distant future. Thank you very much.

A few minutes ago, I said "nearly all" the witnesses appearing before the Board believed that each level of government has a responsibility for clean water which must be met if our children and

grandchildren are to have the water they will need to live. The exceptions at the Montana hearings were our former Governor and his commissioner of agriculture, Mr. E. C. Wren. Both were killed in a tragic airplane crash on January 25, 1962. Governor Nutter's opening statement was as follows:

GOVERNOR NUTTER'S STATEMENT

Thank you kindly. Dr. Anderson, Mayor Waldbillig, members of the Federal Water Pollution Advisory Board, as Governor of the State of Montana, I welcome the President's Water Pollution Advisory Council to this wonderful State. You, in your work, have the job of asking the people of this Nation to meet and solve the many problems of water pollution. I sincerely believe you will be proud, as we are in Montana, of the accomplishments of our Montana Water Pollution Council operating within the framework of our State antipollution laws and the previous Federal Water Pollution Control Act. It was most gratifying to read in the last report of Water Pollution in the Missouri River Drainage in Montana that 87 percent of the population of the Missouri River Basin in Montana is served by adequate sewage treatment facilities or will be served by such facilities by 1961. This has been a task supported to some extent by Federal assistance; however, the major burden has fallen on the people of this State and their response in voting bond issues for community projects is more than amazing. Also, our industries have strongly supported antiwater pollution programs to the extent that I believe we may well have cleaner, clearer water than any other State in the Nation.

Briefly, I will indicate our present position in Montana regarding water pollution. As of January 1953, we had 37.4 percent of our population with adequate sewage treatment, 17.7 percent with inadequate treatment, and 44.9 percent with no treatment. As of August 1961, we find 80.5 percent of the population with adequate treatment, 7.8 percent with inadequate treatment and 11.7 percent with no treatment. In addition, there are currently five sewage treatment plants under construction, five plants ready for construction, six plants in preliminary planning stages. In Montana, at the present time, there is only one town which has taken no action, and this, some 60 miles from the nearest use of the same water.

During the 1961 session of our State legislature, we passed two acts relating to water. One was the Water Well Drillers' Licensing Act, and the other, the Underground Water Code. While these are new acts, we feel they will have a beneficial effect on Montana's maintaining the purity of our water.

We note the 1961 amendments to the Federal Water Pollution Control Act includes the broadening and strengthening of Federal enforcement powers. This act also increases the amount of Federal grants. In the light of our current international situation, perhaps we should be more interested in less Federal control and fewer ways for the Federal Government to spend money. It is time that individual States become responsible in this area, and that any appeals for assistance from the Federal Government should be based solely on need.

We in Montana long ago recognized the need for pure water. I am proud of the efforts of Montana's people in solving the problems of stream pollution. We have been a State of action and we are getting a little tired of some other States sitting on the dime, doing nothing, expecting Uncle Sam to provide Federal aid, to do it for them.

Under the previous Federal Water Pollution Control Act, in which the Federal Government provided \$50 million a year, our

people bonded themselves to provide pure water. They recognized the need and they acted.

In our State, we know we have additional water pollution problems but I feel certain when you look at the State of Montana, you, too, will feel my sense of pride in the efforts of the people of this State to assure pure water for themselves and future generations. Thank you.

As the Governor pointed out, Montanans take pride in our programs toward clean water—progress accelerated by the Water Pollution Control Act of 1956. Since that act was passed, 51 Montana communities have asked for, and received, this Federal aid. Projects built serve 274,602 Montanans, more than 1 out of every 3 of our people. And, as of the most recent report I have, 11 more projects are pending.

Witnesses following Governor Nutter pointed out that Montana's State water pollution control budget amounts to \$36,750 a year, a fraction of the Federal grant to our State for that purpose. This prompted questions from Board Members Charles H. Callison of New York, assistant to the president of the National Audubon Society, and John Charles Daly, NBC news commentator.

According to the transcript, Mr. Callison asked if Montana's \$36,750 a year "is adequate." In reply, Governor Nutter asked Mr. Callison a question—and the following ensued:

NUTTER-CALLISON COLOQUY

Governor NUTTER. I have a question, Mr. Chairman, directed to Mr. Callison. Mr. Callison, is it your thought we measure this in the expenditure of dollars only?

Mr. CALLISON. I realize completely, Governor, one man drawing a given salary may accomplish a great deal more than another man drawing the same salary. There are many factors involved in this but I think there is a direct relationship between the size of a staff, the quality of personnel you might employ and the amount of money you are spending in your State.

Governor NUTTER. You use the term something like "Montana only spent \$36,000," yet the percentage is set forth by myself in my talk and that of Dr. Thompson to spell out accomplishment in percentage. This is a realization, particularly to me, and I was wondering if you were adopting the position taken by many Federal people, you think you measure everything in the amount of dollars you get rid of.

Mr. CALLISON. In the first place I'm not one of the Federal people and in the second place I'm not taking a position today. I'm here to learn and listen to you and the other members of the board. I'm quite interested in studying what I will have an opportunity to see in Montana.

Governor NUTTER. I'm not critical. I'm glad you take the position I do. I'm pointing out a lot of people in Federal Government—I'm sure you're aware of this—seem to measure accomplishments in the amount of dollars. We think we have been gaining ground in Montana, we were gaining this ground on the previous amount which the Government provided \$50 million a year. Now, the Federal Government deemed it wise to spend twice as much money. I can say this: We might be able to expedite our accomplishment, get our objectives obtained earlier by pouring in more money; I don't think this is what we desire in Montana. We are carrying out a very sound program under the old law and the thing I'm vitally concerned about is when you talked with increased grants-in-aid. Right with it you're married to it in increased Federal

control; Federal enforcement mentioned specifically in the amendments and this concerns me.

At that point, Mr. Daly took over. I quote again from the transcript:

DALY-NUTTER COLOQUY

Mr. DALY. Governor, I was particularly interested in the presentation of your health office which indicated in the period 1956 to August of this year Montana had contributed out of its own purse \$7½ million to the improvement of the pollution control problems of the State; whereas in the period, 1953 to 1956, \$1 million was expended. I believe he stated without qualification, that is the cooperation of Federal grants, had certainly stimulated activity in the State; if this is true do you not feel that taking the entire Nation as a whole, Montana has tended to prove that the increase in grants which this Board sought and approved may well expedite the solution to your problems on a national basis, a very worthy goal and it may, as you said yourself, expedite the solution of your problems in Montana itself? In the issue of Federal enforcement which concerns you so much, I believe that the rights of the States in intrastate affairs are very well protected and that you as Governor, for instance, would have to give written permission for the involvement of the Federal Government on any matter which did not concern your neighboring States. That does not seem to be an unreasonable position.

Governor NUTTER. Not at all; and that could be written out as it's written in.

Mr. DALY. There is a question if I may say so.

Governor NUTTER. This may reflect the attitude of this Board.

Mr. DALY. As far as this attitude is concerned I would like the record to show we believe completely we will never reach the goals we have set in the solution of the water control problem, except that the community and State activity solves the problems for us, we would never wish to intrude upon the rights of the State. We do feel, however, that for instance in this interstate relationship the day may well come when you sitting in your chair would be glad to have Federal help to make a neighboring State polluting your waters clean up those waters. I feel our position has always been that the issue of the State sovereignty is one we will fight for just as hard as you.

Governor NUTTER. I'm glad to hear you say that.

That the opposition of the Montana State administration is directed at the program across the boards is made abundantly clear by the following exchange, involving Montana Agriculture Commissioner Wren and Board Member John S. Samson, attorney at law, of Omaha, Nebr.:

COMMISSIONER WREN COMMENTS

Mr. WREN. Mr. Chairman, I don't know if I will be here all day. I would like to make a comment and add a few points. I'm the commissioner of agriculture, State of Montana. The public debt was brought up briefly, what I was concerned about mainly is a statement which was made by our President at the time he ran for election. That's something to the effect that it's not what your country can do for you but what you can do for your country. So since then there have been at least 30 issues that have been introduced for additional spending in the United States, some defeated in Congress, some passed, but what disturbs me and many officials in the State of Montana, How is the taxpayer who is already burdened with 30 percent of his income, how is he going to pay for such a project as this? I

realize the importance of the projects under the Pollution Act, but I see no reason why Montana for one State should be subjected to the additional amendments. Now I would like to state one other thing under this amendment: that it calls for later, at some later date, the construction of some six or seven labs in the United States to study this situation and to me that is an additional burden, an additional expense, to the taxpayers of the United States. I feel this money could well be placed possibly toward something of the international aspects where we are in serious trouble and the past events of course do not have to be related at this time but I wanted to express my feelings that the State of Montana certainly does not need the amendments to the Pollution Act.

Dr. ANDERSON. Other comments.

Mr. SAMPSON. Doctor, I would like to direct a question. What provisions of the act were you referring to, Commissioner, in your inquiry?

Mr. WREN. There are several provisions.

Mr. SAMPSON. The broadening of Federal jurisdiction?

Mr. WREN. That's right. The interference is what worries me. Throughout the State of Montana and in my travels here is what the people asked me. They said, "When is the Federal Government going to stop the usurpation of State rights?" That's one of the questions people ask me today. There is a limit. Of course, I realize, too, the United States has certain responsibilities but how far can we go? It has interfered with every phase of our living today that I can think of.

Dr. ANDERSON. I'm sorry you weren't here when the legislation was discussed, Commissioner, this morning.

Mr. WREN. I read briefly the legislation.

Mr. CALLISON. May I direct a question to Commissioner Wren? I have been interested, Commissioner, in questions of concern that you have heard today about the growing use of chemical insecticides and other pesticides and the problems that we see as a result of that. Now, in view of your point of view about the reason of the Federal Government in certain areas, I wonder if in your work as Commissioner of Agriculture you have been rejecting or turning back any Federal assistance you may have received in plant test control work.

Commissioner WREN. Well, with the grasshopper situation I certainly would take it, I'll tell you that. No, I haven't; but a lot of the individual farmers and ranchers have. Under the Federal participation grasshopper spray situation, they pay one-third and the owner two-thirds, that's on the pasture land. But, I find in working with our plant pest control man, the USDA representative, that many of the farmers and ranchers were reluctant because it took so long to get anything done. The redtape and so forth. I have not been opposed to the use of chemicals. I have been ranching for 13 years but it brings me in mind of the cranberry situation. A cow would have to eat 5 acres of grass to become infected with the so-called insecticide and she probably would have to eat that 5 acres in about a week and I don't know if a cow could do it. I don't know if that answers the question.

Mr. CALLISON. I do appreciate your concern about the use of insecticides and pesticides. I wonder if your concern went so far as to be acceptable of some of the programs going on?

Commissioner WREN. They have restrictions also; if they spray you can't run a cow for a certain length of time on that grass; you're aware of that.

Mr. CALLISON. Are you able to keep the deer off the same grass, or the antelope?

Commissioner WREN. No, but I don't want a deer myself. I eat beef.

Dr. ANDERSON. Over here.

VOICE. I was just wondering if I might direct a question to the board and again at the Commissioner. I understood that this problem is a nationwide problem, vital to the life, welfare of the entire Nation. I didn't come here today in my small part with the notion that we weren't concerned with everybody and we are only concerned with the so-called major individuals of the United States. I would like to ask you, Mr. Commissioner, Are we or are we not here today to decide what is the best line of water pollution prevention for the citizens of the United States or the ranchers of Montana, please?

Commissioner WREN. That's fairly easy to answer, but I might have to bring up one other issue. They tell us a lot of things are good for all the people of the United States; perhaps Federal aid to education is good for all the people of the United States, but what happened to it in Congress? I'm getting back to States rights. Montana, the flow out of Montana produces something like 70 percent of the Columbia River flow. We want to preserve that water for the Montana rancher and farmer. I agree with you. I'm not opposed to the State itself taking care of the pollution problem. Certainly we have in Montana, nor am I opposed to having the border States take care of their problem. I would rather see them take care of themselves.

Mr. DALY. I think that's a fair observation on the part of all of us; I think the issue here is that while you say you would believe and feel that Montana should take care of this tremendous outpouring of headwaters that goes into the Columbia, equally you would agree that the self-interest of the entire northwestern community is met if there is a process by which this can be assured should the responsibility not be met here. In other words, as long as Montana's actions grievously hurt the neighbor States there should be recourse to those States to get Montana to clear the waters out. It's a happy fact Montana meets its responsibilities; in intrastate affairs there is no possibility of Federal interference without the Governor's written permission—the Federal Government can't interfere with it.

VOICE. I agree with you partially.

Mr. GODDARD. As an example, in Pennsylvania we spent \$185 million on the Delaware River alone to clean up the pollution. Now suppose the city of Trenton and New Jersey would not spend a nickel to clean up its pollution load. Isn't it reasonable to assume that some interstate agency or the Federal Government should require the city of Trenton to clean up its pollution? This is all we are asking.

NEWSPAPER COMMENT

Since it is conflict which makes news, the press picked up the Governor's line. "Nutter Blasts Encroachment at Pollution Control Hearings," read the headline in the Missoulian for September 21. The account of the September 20 meeting is as follows:

Blasts at the Federal Government for moving in on State rights; a difference of opinion over whether Montana has an adequate water pollution law, and the growing danger of pollution from atomic waste, insecticides and pesticides, and other chemicals; with a left-handed intrusion of the private versus public power issue marked a Federal hearing in Hotel Florence Wednesday. It was conducted by the Water Pollution Control Advisory Board of the U.S. Department of Health, Education, and Welfare.

Thursday, the Board and others representing various governmental and private agencies will inspect the \$12 million process developed by the Anaconda Co. in the past decade to handle mine and smelter wastes

from its Butte and Anaconda installations. They will be guests of the Anaconda Co. at a barbecue lunch and then go to Butte where the hearing will be resumed at 10 a.m. Friday. Mayor Vern Griffith will give a welcome and 16 others have indicated they wish to make statements, which will be limited to 10 minutes each. Question periods will be interspersed.

Gov. Donald G. Nutter struck hard at Federal encroachment into State sovereignty and lambasted other States in this area for waiting for the Federal Government to supply the money for pollution control.

The State's chief executive pointed out that 1961 amendments to the Federal Water Pollution Control Act include broadening and strengthening of Federal enforcement powers, and increases in the amount available for Federal grants.

Subsequently in a question period, Governor Nutter expressed fear that doubling the \$50-million-a-year Federal fund as has been done will result in loss of State control. He declared that every time a State or community receives more Federal money, increased Federal control is "married" to it.

The State head admitted that Montana could have expedited its pollution cleanup program with more money but emphasized he believes the dangers in Federal aid far outweigh the advantages.

Early in his brief talk, Governor Nutter quoted figures showing that Montana can be proud of its advancement in sewage treatment facilities from 1953 to 1961. Although this has been supported to some extent by Federal assistance, he explained, the major burden has fallen on the people of the State and their response in voting bond issues for community projects has been more than amazing. Also, he stated, Montana industries have strongly supported antiwater pollution programs to the extent that he believes the Treasure State may well have cleaner, clearer water than any other State in the Union.

TWO ACTS PASSED

In addition, according to the official, the last session of the legislature passed two acts that will have a beneficial effect on maintaining the purity of Montana water, the Underground Water Code and the Water Well Drillers Licensing Act.

Later in the day Edward C. Wren, Montana agriculture commissioner, after asserting that Montana could have done the job without broadening of the Federal Water Pollution Control Act as was done in 1961, inquired, "When is the United States going to stop usurpation of State rights?"

DALY HAS ANSWER

This brought an interjection from John Charles Daly, board member, news commentator and moderator of "What's My Line?" TV show, that the best solution would be for the States to care for the problem themselves. At a question period earlier he had assured Governor Nutter that board members will fight for State sovereignty. The board is composed of five Eisenhower appointees and four Kennedy appointees, with Dr. Luther L. Terry, U.S. Surgeon General, another Kennedy appointee, as chairman.

Governor Nutter was supported in his assertion that Montana has a good water pollution control law and gradually is achieving solution of its problems by F. F. Palmer, of Forsyth, chairman of the Montana Water Pollution Control Council, and Dr. G. D. Carlyle Thompson, of Helena, council member and executive officer of the Montana State Board of Health.

DR. STEWART DIFFERS

Opposition to that claim came largely from representatives of wildlife organizations. After listing many types of pollution as still in existence along the Clark Fork River, Dr. John M. Stewart, a Montana State

University chemistry professor, emphasized that individually the types aren't impressive but referred to the total as staggering.

Dr. Stewart asserted that Montana pollution laws are woefully inadequate and almost impossible to enforce. Prime responsibility for enforcement of most of its provisions rests with the State board of health. This agency has not in the past done a good job of carrying out its responsibility to the public in the matter of water pollution. Towns like Missoula continue to pass untreated sewage into the stream, paying little heed to supposed deadlines set by the board. Other types of pollution caused by industries, communities, and individuals are most commonly ignored unless pressure for action is brought on them by a local group.

TYPES OF POLLUTION

The types of pollution he listed follow: (1) raw sewage spouts into the streams and rivers, Missoula being the most flagrant example in this region; (2) on every stream bank are many places where garbage, trash, auto bodies, etc., spill into the river; (3) silt from mining and mill operations, and poor land use practices on farms and ranches increases erosion; (4) lumber-mill wastes always have been a problem near Missoula; (5) agricultural sprays undoubtedly find their way to the water.

UP TO RESIDENTS

After these statements, Dr. Stewart asserted that Montana citizens should assume the responsibility at once of effecting a change in the present State pollutions. He revealed that the Western Montana Fish & Game Association, for which he was acting as a spokesman, is making definite plans to spearhead a drive aimed at promoting the passage of a new pollution law at the next session of the legislature. In closing he said that if Montana people don't face up to the responsibility of getting a new law, attention should be focused on getting Federal aid to protect and preserve for the future the purity of the State's water.

Dr. George F. Welsel, another MSU professor, representing the same group; Dr. Richard A. Ormsbee and Dr. William H. Hoyer, U.S. Public Health Service employees at Hamilton, both representing the Ravalli County Fish & Wildlife Association, spoke in similar vein; and W. Leslie Pengelly of the Montana Wildlife Cooperative Research Unit, representing the WMFGA, showed slides and spoke along the same lines.

DR. RENNE SPEAKS

Dr. R. R. Renne, president of Montana State College and chairman of the Water Resources Committee of the American Association of Land-Grant Colleges and State Universities, quoted statistics showing that the Nation as a whole and many regions of the country will be desperately short of water in the next three or four decades. However, in addition, he said, the Nation is faced with an increasingly serious problem of water pollution resulting from poisons, chlorides, detergents, fertilizers, insecticides, weedicides, fungicides, and many other poisonous substances that will be discharged into the streams.

Many scientists, he stated, believe answers can be found to the complex pollution problems growing out of highly concentrated metropolitan and industrial areas and the increased discovery and use of exotic chemicals can be found. But, he asked if there is time to find answers before serious damage is done to public health and whether there is time to convince the public of the need.

SOLUTIONS OFFERED

The president suggested the following solutions: (1) stepping up building of treatment plants; (2) investigation of stream quality; and (3) research to learn new ways of treating waste.

A veiled reference to the private versus public power issue became evident in ques-

tions asked concerning land acquisition and high and low water levels by Mrs. Frances Logan of Charlo.

Mrs. M. Y. Foster, speaking as president of the Montana League of Women Voters, stated the league has an unrelenting determination to see that legislation is enacted and carried out which adequately provides for stream pollution abatement in Montana and elsewhere in the Nation. For health reasons, she said, the State league sees no alternative to Federal cooperation to insure compliance with pollution control legislation.

A. J. Erskine, president of the Izaak Walton League of America, emphasized a need to get more people to dedicate themselves to working for clean water; H. A. Swenson, Washington, D.C., representative of the U.S. Geological Survey, said that agency believes water quality rather than quantity will be the controlling factor; Dr. Wilson Clark, representing the Montana Conservation Council, declared that pollution problems can be solved with concerted effort; Mayor Carl Clavadetscher, of Billings, said clear water will result if people will play by the same rules all over the country.

WARNING FROM SCHOONOVER

"There must be no more 'Eat, drink and be merry' attitude toward the water of the Northwest, Leland Schoonover of Polson told the board.

Schoonover, president of the Pacific Northwest Conservation Council, said the present plenty is not perpetual and urged that the present large supply of good water in the Northwest be protected.

He said his organization advocates public education, strict standards for pollution control and Federal legislation to protect interstate waters.

Schoonover said the "inadequacy of enforcement" of present pollution laws is "disturbing" and cited specifically pollution of Pacific coastal waters by oil, detergents and insecticides.

Speaking of Montana's industrial pollution control program, Schoonover said it might be expanded but commented that the State is getting its money's worth.

RECREATION STRESSED

Donald Aldrich of Missoula, also representing the PNCC, said that in many areas the recreational quality of the water has been "eliminated." Like other speakers, he referred to recreation as the Northwest's greatest industrial potential.

He noted that some industries tell prospective workers of the recreational benefits of the area and then contribute to pollution of the streams which are a part of the recreational resource.

Prof. Arnold Bolle of the Montana State University Forestry School, vice president of the Montana Conservation Council, told the board that the cost of using water is increased if it is polluted. He said the State can have industrial development and clean water both. "It's not an 'either-or' situation," he said.

EDUCATION NEEDED

Robert Sykes of Kallispel, president of the Montana Wildlife Federation, cited the importance of water as a recreational resource in Montana and urged further action on conservation. He mentioned specifically the need for appropriations for conservation education and the fact that recreation is not a legal use of water in Montana and that there is no minimum water level law in the State.

Harold W. Bloomer of Lakeside, president of Flathead Lakers, Inc., said his area would lose "a good portion" of the lucrative tourist and vacation industry if the lake becomes polluted, "as it already is in spots."

Bloomer said the recreation industry in the area now brings in about \$16 million annually directly and produces another \$45 million in secondary business.

ANDERSON, TERRY PRESIDE

Dr. Robert J. Anderson, U.S. Assistant Attorney General, presided at the morning session and explained that the function of the Board is to make recommendations to the Secretary of Health, Education, and Welfare after studying the pollution problem. Dr. Terry presided at the afternoon session. Murray A. Stein, enforcement branch chief, Water Supply and Pollution Control Division of the Department of Health, Education, and Welfare, outlined features of new Federal legislation.

Messages were received from Senators MIKE MANSFIELD and LEE METCALF and Representative ARNOLD OLSEN saying they regretted being unable to attend because Congress remains in session. They stated they expect that the Montana meetings will contribute to solution of the problems and the opportunities available under the 1961 act.

Outside as well as inside the hearing there was disagreement with the Governor's stand. Under the headline "Demo Flays Nutter for Belligerence," the Billings Gazette carried the following story on September 22:

MUDDY WATER—DEMO FLAYS NUTTER FOR BELLIGERENCE

MISSOULA.—Mrs. Frances Logan of Charlo, Democratic National Committee woman, Thursday chided Gov. Donald G. Nutter for what she said was Nutter's "unprovoked belligerence" toward the Federal Water Pollution Control Advisory Board.

Nutter Wednesday attacked the Board at its meeting in Missoula as Federal interference in State's affairs and an invasion in States rights.

"Governor Nutter actually did not secede from the United States yesterday in his appearance before the Board but his belligerent attitude and assertion of lack of confidence that the Congress had acted in good faith in protecting States rights over intrastate waters strongly suggested he might have done so * * *," she said.

Mrs. Logan also criticized the Governor for his assertions Montana was handling capably its own water pollution problems.

"The rosy picture of Montana independent accomplishments painted by Governor Nutter was not borne out by better informed witnesses," she said.

Mrs. Logan said figures of the State board of health proved pollution control lagged in Montana until Federal grants made it feasible to undertake more pollution control projects.

"The attitude of other witnesses who recognized problems of pollution control must be undertaken cooperatively by all levels of government was in marked contrast to the Governor's unprovoked belligerence," she said.

The following day, the Montana Standard, published in Butte, Mont., reported—under the headline "Mayor Doesn't Agree With Nutter's Stand"—as follows:

MAYOR DOESN'T AGREE WITH NUTTER'S STAND

Mayor Vern Griffith Friday said he strongly disagreed with Gov. Donald G. Nutter's position that Federal Government is encroaching on States' rights by increased offers of assistance in water pollution control.

Griffith made the statement before a meeting of the Federal Water Pollution Control Board in Butte.

"It is my belief that since all tax moneys originate on the local level we should see some of this money coming back when we need it," Griffith said.

Governor Nutter at a hearing of the Board in Missoula Tuesday had criticized neighbor-

ing States for "sitting on the dime," doing nothing, and expecting Uncle Sam to provide Federal aid to do it for them."

The Governor said it is time for individual States to assume responsibility in the area of pollution and "appeals for Federal assistance should be based solely on need." Nutter said he was troubled with the possibility that doubling the \$50 million Federal aid fund, recently accomplished, will result in increased infringement on States' rights.

At the Friday board meeting in Butte W. J. Leary, city manager of Helena, said the municipality has been able to take advantage of Federal aid to provide a sewage treatment plant. He said the city would be in serious trouble without this assistance and would like to see it continued.

"From requests to the State, we * * * formations and allowed pollution of fresh water tables," Jack Toole, a director of the Montana Cattlemen's Association, stated. Toole said he represented the association and its 1,100 members. He said the test holes and the explosions entailed sometimes allow lower strata levels of brackish water or sulfur water to mingle with fresh water tables.

The cattlemen urged the board to consider the problem, noting that proper precautionary measures in seismographic operations could prevent this pollution.

"I don't believe test operations have contributed to water pollution in northwestern Montana," said I. J. Stald, director of the Rocky Mountain Oil & Gas Association, Billings.

He said his company first learned of this purported cause of pollution a few days ago but immediate survey results indicated that pollution of fresh water tables by brackish water from another table was due to fault zones in the earth's strata and migration of pollutants through these zones.

WOULD RECTIFY SITUATION

Stald said if sufficient evidence is found to the contrary his company will gladly rectify the situation.

A Kallispel man, Michael J. Behrens, told the Board that residents on Flathead Lake are endangered because raw sewage from communities on or near the lake is contaminating the water. He called for State and Federal legislation "with teeth in it" to prevent such pollution.

E. F. Garbe, town clerk of Culbertson, Mont., said this community, which is dependent upon the Missouri River for its water supply had in the past been endangered by water shortage. He said during one period the town had no water for a period of 2 weeks, a condition brought about because the water released from the Fort Peck Reservoir was insufficient to cut a fresh water channel in the Missouri River.

Anderson noted that recent Federal water-regulation legislation provided that any Federal agency intending to impound water should first consult with the Department of Public Health in local communities to ascertain local needs.

OTHERS GIVE STATEMENTS

Others giving statements before the Board Friday included: J. Kolokotones, mayor of Three Forks; Dr. William L. Jellison, Hamilton; Arnold Rieder, State senator from Jefferson County; Thomas H. Deckert, Yellowstone County commissioner; Lloyd T. Jensen, member of National Technical Task Force on Industrial Pollution, Denver; George Weber, U.S. Fish and Wildlife Service, Billings; Basil Coplas, Billings; Ralph Kelly, Flint Creek Valley stock raiser.

Anderson concluded the meeting by noting that the Board was well pleased with attendance at the sessions. He said this showed that people were interested in the problem but that more than just interest was required if the threat of pollution were to be eradicated from the American scene.

The meeting in Butte was the concluding session of the Board in Montana. It had met Tuesday in Missoula to receive statements and conduct a question-and-answer period.

Thursday the members and interested parties made an inspection tour of waste disposal facilities at the Anaconda Reduction Works in Anaconda.

Reference was made to the excellent facilities of the disposal system at the Friday meeting. Board Member Maurice K. Goddard, secretary of the Pennsylvania Department of Public Works, asked if the Anaconda Co. charged Anaconda or Butte for this service and if any other companies in the State were providing such facilities to cities.

Edward D. Tierney, assistant vice president of the company, said no charges were made to the cities. He did not know if other companies offered such a service.

The Anaconda Co. operates a waste treatment process for its mine and smelter wastes at Anaconda and Butte and furnishes treatment of municipal and industrial wastes from the two cities without costs to the local government.

It was left for a Helena weekly newspaper, the People's Voice, to do a thorough job on the conference. That account follows:

PROGRESS MADE, MUCH YET TO DO TO CURB WATER POLLUTION IN MONTANA (By Gretchen G. Billings)

Two things are necessary for man to exist. One is land and the other is water. In a growing and complex 20th century grave concern is being felt over the quality and quantity of our water supply. Sitting at the headwaters of all of our source of water, facing only pollution of our creation, Montana's problems are insignificant compared with those of the rest of the Nation. That we are not without problems, however, was evident last week when the Advisory Board on Water Pollution to the Department of Health, Education, and Welfare held a conference in Missoula, Anaconda, and Butte to listen to people interested in the waters of this area.

The sources and amounts of water available to this Nation are basically the same as when Columbus landed. Increasing demands of population growth (200 million by 1980) will make the pollution image broaden and likely it will darken. Water needs will spiral upward.

A suggested national credo recommended by the National Conference on Water Pollution in December of 1960 included three points:

1. Users of water do not have an inherent right to pollute.
2. Users of public waters have a responsibility for returning them as nearly clean as is technically possible.
3. Prevention is just as important as control of pollution.

Every citizen of this Nation is involved in the problem of pollution and its control. Every citizen is a polluter and every citizen is a user.

Pollution abatement is a problem with roots in rural land use and agronomy, as well as in urban congestion and industrial growth.

The 2½-day conference included all day sessions in Missoula on Wednesday, September 20, with a banquet that evening. On Thursday, the Anaconda Co. took participants on a field trip through their stream cleanup plant and hosted a barbecue at the company's Mount Hagen ranch in the afternoon. On Friday the conference resumed in Butte for the half-day final session.

CONFERENCE HAS BLUSTERY START

Montana's Governor Nutter started the conference off with his highly publicized

blast at Federal spenders in tones of pompous virtue and words of doubtful dignity, by saying "We are tired of other States sitting on their dimes and doing nothing and the Federal Government has to come along and help them out." He said he was sure the advisory board would be proud of Montana's work operating under the previous Water Control Act, which provided for Federal participation with the States. He stated Montana has used Federal assistance.

In a rather meaningless accumulation of words the Governor contributed little to the traditional hospitality of Montana or to the solution of water pollution problems.

He said for instance: "It is time any assistance from the Federal Government should be based solely on need."

Statistics he could not deny, proved Montana had done little or nothing toward cleaning up her sewage problems until the Federal Government offered financial assistance. Flying in the face of facts he unblushingly complimented the people of Montana on use of States rights raising money by bond issues on the local level.

However the effects of the "Yankee, go home" rantings of our Chief Executive were softened by the friendly attitude of other Montanans present who carried on after the Governor marched out of the meeting, and during the following 2 days of the session.

The warm appreciation for the work the advisory board was trying to do, from political figures such as former Gov. John Bonner and 1960 Gubernatorial Candidate Jack Toole, of Shelby, helped cushion some of the shock.

Telegrams of welcome from Senators MANSFIELD and METCALF and First District Congressman ARNOLD OLSEN were read to the advisory board and visiting delegates from 17 States.

Bonner said he thought the presence of the board in Montana would serve to awaken our interest in our greatest asset, water.

CONCERN OVER POLLUTION OF UNDERGROUND WATER

Toole said he was concerned with the pollution of underground fresh water, which is a secret process that is only discovered when its pollution has reached most serious proportions. "The possibility of radioactive fallout makes the importance of keeping this vast supply of underground sweet water uncontaminated * * * of major importance," he said.

During the question period Wednesday morning Nutter asked the advisory board if they measured accomplishments in dollars only.

Dr. G. D. Carlyle Thompson, State board of health, stated that too much money could be as disastrous as too little in what he termed his "going between the horns" statement. He said a lot more money would not have made Montana's situation improve appreciably and might even have been a hindrance to orderly development, but enough more money to add an extra staff member or two might have helped more than anything. More money might have expedited pollution control in Montana but an expedited program would have lacked understanding of the citizens, he said.

Nutter leveled another volley in his Castro-like revolution with Uncle Sam by saying: "We spent only \$37,000. This is realistic. The position of you Federal people is to judge by how many dollars you can get rid of."

A member of the board patiently restated what had earlier been pointed out, that they were not Federal people, but interested citizens seeking information.

The Governor was not to be mollified and reiterated his complaint that increased funds meant you marry Federal control and Federal enforcement worried him.

John Charles Daly, exerting his well-known charm, pointed out that Montana could be proud of what it has accomplished, but Daly

said it was evident from figures presented by Dr. Thompson that it wasn't until Congress passed the original Pollution Control Act in 1956 which made Federal grants available that Montana had started to move ahead.

From 1953 to 1956 he pointed out Montana had only spent \$1 million on pollution control whereas from 1956 to 1961 \$7½ million had been spent.

Daly asked the Governor if he did not feel, taking the population as a whole, the increase in Federal grants may well expedite worthy goals and even expedite pollution control in Montana itself.

He also asked if the Governor did not realize the law provided he would have to give written permission for the Federal Government to enter an intrastate situation. This provision against intruding on State sovereignty, Daly said, he would fight to maintain.

Nutter insisted the permission could be written out the same as it was written in, whereupon the Governor dismounted his trusty dinosaur and marched off to a federally subsidized airport to fly to Billings.

WITHOUT A TIME MACHINE, YET

Good old "dinny" was to be used later in the day by an emotionally distraught Nutter appointee, Commissioner of Agriculture Edward C. Wren, who thought this money could well be placed to the international aspects; that the State of Montana certainly does not need the amendments to the Pollution Act; and when is the Federal Government going to stop usurpation of States rights?

Advisory board member, Charles H. Callison, of New York, asked Wren if, in his official position as commissioner of agriculture he had refused or turned back Federal grants, to which Wren admitted original sin by saying he had not * * * adding, "but many individual farmers are refusing Federal help on grasshopper control."

The haunting fact Mr. Wren avoided is whether the major reason for individuals refusing Federal help in the grasshopper control situation could be that it is not sufficient. The two-thirds of the cost individuals have to pay is a financial burden hard-pressed Montana farmers are in no position to assume. Wren might have told the advisory board that the 1961 State legislature refused to participate in the Federal-State-individual program. He might have added that the State took no sovereign responsibility which leaves Montana farmers completely free of Federal usurpation and their land embedded with grasshopper eggs.

Wren also opposed the setting up of research labs to study mounting pollution problems as an additional bureau and an additional expense.

Advisory board assurances that they agreed with him most heartily that all the States should shoulder the responsibility for clean water left Wren only partially agreeable as the steam he generated ran out. He had no concern for the efforts of agricultural sprays on such as deer because, he said, "I do not eat deer * * * they are not worth eating."

Reaction to the attitude of the Governor and his stand-in, Wren, was perhaps summed up best by one observer who stated the political administration in Montana, if left to their own devices, would leave their grandchildren a bucket of dollars to drink.

CITY OFFICIALS APPROVE OF PROGRAM

City officials defended the Federal Government's responsibility in water pollution control.

Carl Clavadetscher, mayor of Billings; Vern Griffith, mayor of Butte, and W. J. Leary, city manager of Helena, all spoke of the necessity and value of Federal participation in the program. Clavadetscher said he "accepts Federal regulation of water pollution,"

and "we are looking for the Federal Government to set up a uniform code."

The Helena city manager didn't mince words when he spoke of the experience of the cities before the State legislature. He said, "Helena has been able to take advantage of Federal aid for a sewage disposal plant and we would like to see that program continued. A lot of cities would be up against it if they did not receive some Federal help. We appeared before the legislature with our problems and they gave us everything but money."

Mayor Griffith of Butte said, "after all, all money is raised at the local level" and he "did not see why municipalities should not get some of it." The cities of Butte and Anaconda have had no financial problems with their sewage disposal. The Anaconda Co. is taking care of these along with the pollution control program attendant to their mining and smelting operations, in Silver Bow Creek.

FEDERAL FUNDS PROVIDED IMPETUS

Dr. Thompson of the State board of health outlined the sizable accomplishments in the State of Montana in the past 5 years stating: "It is apparent the use of Federal funds gave great impetus to the work of the larger communities."

Defending the State board of health, Dr. Thompson pointed out the difficult task they face in educating and prodding the citizens of this State to get to work on their pollution problems, and outlined some of the community problems still existing. He said the first and major problems here are about corrected, that the goal is near.

He recognized the need for research to determine the total problem as to the effects of modern day detergents, sprays, insecticides, and other chemicals on human health.

Wildlife and fish and game representatives tended to be critical of the State board of health and what they seemed to consider slow progress in some places and overlooking many problems in others.

Of great concern to everyone is the effect of what was termed "exotic chemicals" on human life over a period of time.

NEVER MISS THE WATER TILL THE WELL GOES DRY

Robert Sykes, Kalispell, president of the Montana Wildlife Federation, enthusiastically endorsed the Federal Pollution Control Act and said his organization was pleased with the work that has been done since 1953, but compared progress with a ball game in that we have scored a run in the first inning but there are eight innings yet to go.

In the innings ahead, Sykes said, we need State appropriations to include education on these problems in the schools; Montana needs a minimum low-level water law; stronger enforcement provisions in the law which are presently woefully inadequate; larger appropriations for the State board of health.

"Before there is any use of insecticides," Sykes said, "there should be a study," because using them to kill insects results in also killing fish, and even game animals are unsafe to eat.

"If all the money for the State board of health were used on Flathead Lake," he said, "it would take 5 years to accomplish their objective."

MORE AGGRESSIVE ACTION NEEDED

Flathead Lake was presented as a pollution problem by several spokesmen including State Senator Leland Schoonover of Lake County, speaking as president of the Pacific Northwest Conservation Council, who referred to the glowing reports by the Governor and said while recognizing the progressive steps already taken, "from where we sit we do not think things are going fast enough," and "more aggressive action on the national level must be instituted."

Schoonover said pollution control lags behind other forms of development and the lack of good State legislation is alarming.

Asking for stronger enforcement power for the laws we have, the Senator said: "We do not necessarily recommend a crash program but a program that will give us real answers on how to keep water clean so all people can enjoy its use."

He said domestic pollution is not our only problem and that our industrial waste problems are in the future. Pollution is one of the gravest problems we face, according to Schoonover, and we will get just about what we spend to correct it.

Other speakers specifically interested in methods to prevent further pollution of the recreational and tourist attraction in western Montana were Harold W. Bloomer, of the Flathead Lakers, and Michael J. Behrens, Flathead County sanitarian.

WATER NO RESPECTER OF STATE LINES

Mrs. M. Y. Foster delighted the packed hearing room with her firm and knowledgeable presentation as spokesman for the League of Women Voters in behalf of Federal participation in pollution control. Mrs. Foster said the "Federal Government will push the program with vigor." She said water is no respecter of State lines and women are concerned with the vital supply of water and what happens to it.

"For health reasons alone," she said, "this national problem must have Federal support to embark on adequate abatement programs."

Dr. R. R. Renne, president of Montana State College and chairman of the Water Resources Committee of the American Association of Land-Grant Colleges & Universities, saw the most acute problem as primarily one of research because of new pollutants in most areas of the country.

"Students of the problem will agree we simply do not have the answer at this time on how to handle the new problems that are growing out of the health hazards of the exotic chemicals," he said.

Renne expressed the hope that Montana State College and the American Association of Land-Grant Colleges might be able to help play a part in the research and public understanding that will be necessary to meet the growing problem.

FEDERAL FUNDS HELPED CLEAN UP BOULDER RIVER

State Senator Arnold Reider supported the Federal help Montana has received and cited the case of the Boulder River where raw sewage was sent to the land of adjacent farmers and ranchers until Federal funds made it possible for the State institution involved to correct it. "I will continue to support the National Congress in helping us with the pollution problem," he said.

E. F. Garbe, Culbertson, stressed the need for a minimum-flow law in Montana, which would require any water storage facility built on any of our streams to allow a normal flow below the dam and the board of health be given authority to demand release of the water if the health and welfare of any community is at stake. Culbertson this summer had to go to their U.S. Senators to get release of water when the health and welfare of that community was threatened.

CONGRESS RECOGNIZING PROBLEMS

Congress is recognizing this problem of providing water for periods when flow in streams is normally down, according to Dr. Robert Anderson, of the Public Health Service. He said recent legislation endorsed a specific provision that any agency impounding water should consult with the Public Health Service for recommendations on guarantees that should be put in to maintain streamflow when flow is low. This would be taken into consideration in original

consideration in original planning, Dr. Anderson said.

Asked what the situation is in regard to existing water impoundments and those already planned, the advisory board did not know, but assured the group, that would be one question that would be taken back to Washington.

The answer seems to rest in a reallocation of water use to take care of the low-flow periods.

SPORTSMEN MAKE DRAMATIC APPEAL

Sportsmen and wildlife conservation groups put up the most dramatic appeal for preservation of the clean, clear, sparkling water in Montana. Presenting this State as a mecca for an increasingly outdoor-hungry, recreation-seeking Nation, their demands for the quality of water were the most specific. Their statements on present domestic and industrial waste disposal were the most critical. Their standards for Montana tended toward preserving the pristine purity of the native wilderness wherever possible.

Industrialization merely for the income or payroll without consideration of the effects on our resources, they regarded as dangerous. One university professor suggested "sooner or later we will all die at a banquet of consequences."

The social cost of uncontrolled pollution could make the national debt look small in comparison, they claimed.

These people were unanimous in their concern over what major highway construction is doing to Montana streams. "Highways," they said, "are being built at the expense of the streams."

Another fish and wildlife association spokesman, Dr. John Stewart, who even likes venison, said it was "mighty fine to be proud of Montana's progress in stream pollution," but "raw sewage is only one type of pollution," and called attention to the city of Missoula where, while the money is available to take care of the city sewage, there is still a vast stream pollution problem to be licked.

"From whence comes man's weird idea that dumping into the river will take care of our waste . . . the solubility of an automobile body is highly improbable," Dr. Stewart said.

The charge was made that the State board of health has the prime responsibility in these matters and they have not done a good job in taking care of this responsibility. The question was raised as to whether "the law or guts" was to blame. Regardless of which it is, there will be a new law presented at the next session of the legislature, sportsmen said.

ACM COMPLIMENTED

The Anaconda Co. was commended on the job it has done, but it was pointed out that a single slip can undo all that has been accomplished. The Waldorf Paper Co. ponds are full so where do we go from here, was one of the questions raised.

Of the Clarks Fork River through Missoula one spokesman said, "Frankly, it stinks" and another said "all Montana waters are not clear and sparkling as some would lead you to believe."

"The mere presence of people does not bring prosperity," said Dr. Pengally, as he showed slides of the Ganges in India, and added that the care a nation takes of its resources is the true indication of its culture.

Showing how fish die in polluted water that is being used downstream by human beings, he said "fish are fussier than people."

CRITICISM LEVELLED AT BUREAU OF PUBLIC ROADS

Advisory board member John A. Biggs of the Department of Game and Fish, of the

State of Washington, expressed the hope that this board would do something immediately about "an official expression" to the Bureau of Public Roads that a greater consideration be given as to the effect interstate highway construction has on impairment of stream values.

"This board might very usefully point out to public officials the concern of people as to the lack of good planning in this field," he said.

"Sedimentation, whether from highways or other sources, according to W. J. Everin, director of the State fish and game department, is one of the most important and the most ignored problems which contributes to the downgrading of streams. It covers the bottoms and insects cannot spawn. Streams in such condition are expensive to reclaim," he said.

FEDERAL LEADERSHIP NECESSARY

Speaking on the matter of pollution from the viewpoint of management, James Gill, manager of the Ethyl Corp., Pittsburg, Calif., said the cause of clean water in the United States can best be furthered by the Federal Government exercising its role in research and its weight in getting the States to shoulder their responsibility in meaningful control. He said pollutants must be eliminated at their source which is a matter of local concern and control.

"State and local governments must not only recognize these responsibilities but must appropriate necessary funds to establish and maintain adequate staff, labs and control agencies," he said, adding "Too often these groups have not received sufficient share of State revenues to shoulder their responsibilities."

The industry spokesman who felt he had received a "battering" from earlier speakers, said industry has received an undue share of the burden for the condition of our streams, but "even after today, I do not know who has done most to foul up our waterways."

"The waterways cannot be maintained for any one group," he said. "All groups should have equal rights to the same water."

SUGGESTS SOME WATERWAYS FOR WASTE ONLY

He suggested that some waterways may have to be left for waste and some left for recreation. He said conservationists who contend there should be no gradation of water are wrong. "To believe you are going to set the same standards for a lake in the high Sierras and San Francisco Bay is simply unrealistic," Gill contended. "It may well be we cannot afford to have every cubic foot of water in California the quality of Lake Tahoe * * * to those who think you can you must reevaluate your standards," he said.

Gill would have regional authorities to establish standards and make determination on the use and purity of different waterways. "It is not sufficient to say water must be clean and not polluted," he said, "it cannot be hit or miss, but it must be based against the philosophy of free enterprise and not the emotional, unreasonable demands of any group."

"Our goals must not be unrealistic, they must be based on study and analysis to meet the needs of changing society," and this requires advancement in knowledge in all phases of water use and control, he said.

"Any program should not be idealistic, but practical, not only desirable but required," he concluded.

FEATURES OF 1961 LAW REVIEWED

The existing features of the 1961 law as passed by Congress were outlined by Murray Stein, legal adviser to the Advisory Board, who said any Federal assistance must be requested by the Governor of a State getting the aid on an intrastate problem, however

the new law strengthens enforcement procedures on all Federal water abatement where procedures in on State are endangering some other State.

This situation was dramatized by Advisory Board Member Maurice Goddard of Harrisburg, Pa., who pointed to situations existing in his area where a community had spent some \$185 million cleaning up its waste and sewage only to have an upstream community in another State continue to send its polluted water downstream. "Shouldn't somebody require they clean up their pollution? That is all we are asking," he said.

Stein pointed out the drive for the 1961 law was "inexorable" and was a milestone in the field of preserving and cleaning up the valuable life-giving resource of water.

FEDERAL POWER COMMISSION HAS ALLOWED UTILITIES TO CHARGE CONSUMERS FOR MORE TAXES THAN THE COMPANIES ACTUALLY PAY

Mr. DOUGLAS. Mr. President, ever since Congress passed the 1954 Internal Revenue Act, many public utilities have been reaping a bonanza at the expense of utility customers. A number of regulatory jurisdictions, the most prominent being the Federal Power Commission, under prior administration have permitted utilities to charge rates based upon income-tax allowances which far exceeded their actual tax liability to the Treasury. These regulatory commissions have held that in computing the Federal income tax amount to be allowed in fixing utility rates, the higher deductions for depreciation made available under the rapid depreciation option provided by section 167 of the Internal Revenue Act could be ignored, even though such deductions were taken in the tax returns filed by the utilities with the Internal Revenue Service.

The excuse given by the Federal Power Commission in 1956 for permitting this amazing extraction from the pocket-books of utility customers is that the Commission was only carrying out the intent of Congress in enacting section 167 of the Internal Revenue Act. This specious ground was swept away in 1961 by the U.S. Court of Appeals for the Fourth and Fifth Circuits. The Commission then simply retreated to claiming that the imposition of such burden upon consumers was a matter of its own discretion.

I have had a study made by competent experts of the price which gas customers are now paying because of the failure of the Federal Power Commission during the past 6 years to carry out the intent and purpose of the Natural Gas Act. It appears that in the year 1960 alone, 15 of the major natural gas pipeline companies subject to the rate jurisdiction of the Federal Power Commission obtained more than \$100 million from the pocket-books of gas customers through the device of charging customers for income taxes not paid to the Treasury. This investigation showed the companies and the amounts by which their costs of furnishing service were inflated by phantom charges for taxes not paid, and the related income taxes thereon are as follows.

These figures are based upon the sworn reports filed by these companies with the FPC:

American Louisiana Pipe Line Co.	\$2,843,933
Colorado Interstate Gas Co.	1,593,747
El Paso Natural Gas Co.	40,369,448
Michigan Wisconsin Pipe Line Co.	6,039,574
Natural Gas Pipe Line Co. of America	5,035,409
Northern Natural Gas Co.	7,739,363
Ohio Fuel Gas Co.	2,979,164
Panhandle Eastern Pipe Line Co.	1,496,456
Southern Natural Gas Co.	3,939,577
Tennessee Gas Transmission Co.	11,163,524
Texas Eastern Transmission Corp.	5,718,324
Texas Gas Transmission Co.	3,154,422
Transcontinental Gas Pipe Line Co.	8,625,476
Trunkline Gas Co.	2,214,076
United Fuel Gas Co.	1,615,385
Total	104,527,878

An additional \$5,400,000 of inflated costs pertains to 17 smaller pipeline companies. These unjustified exactions from gas consumers which are used for capital improvements are growing rapidly year by year. The amount for 1960 represents an increase of approximately \$28.5 million over the year 1959.

May I also point out that the tax bill now before the House Ways and Means Committee includes an investment credit for utilities of 4 percent. Before such a provision is finally approved, if it is, we should make it very clear in the bill that such reductions in taxes to the utilities should also be deducted from their costs when the FPC or State commissions come to determine what proper costs may be passed on to consumers.

A recent article in News for Electric Consumers published by the Electric Consumers Information Committee of Washington, D.C., exposes by chapter and verse the justifications given by the Commission for its actions and its shift of position in 1961 from one of following congressional intent, to one of pure discretion. This article also points out that the new Federal Power Commission has a golden opportunity to put an end to these injustices which are being imposed on gas and electric consumers.

I ask unanimous consent that the item from the News for Electric Consumers of December 15, 1961, may be printed as part of the RECORD in connection with my remarks.

There being no objection, the news article was ordered to be printed in the RECORD, as follows:

FPC CAN ACT TO END "PHANTOM TAX" SUBSIDIES

The new leadership at the Federal Power Commission has a golden opportunity to put an end to an injustice imposed on gas and electric consumers by Commissioners who served in the previous administration.

The issue: subsidies enjoyed by power and gas companies as a result of FPC interpretation of rapid depreciation provisions in the tax law. ECIO has spotlighted the issue often in the past. Quite simply, FPC has permitted utilities to charge consumers for more taxes than they, the companies, actually pay to the Government. The utilities retain these "phantom taxes," enjoy sub-

sidies in the form of interest-free loans, and in some instances, actually give stockholders windfalls in the form of tax-free cash dividend payments.

In its Amere case decision in 1956, the FPC said a consumer could be charged for more taxes than a gas company actually paid, under section 167 of the tax law. But the FPC wasn't quite happy about its decision. It voiced regrets and put the blame on Congress, saying the FPC was simply following the intent of Congress. Said the FPC:

"We cannot strike down an act of Congress, if we think it unwise, or unnecessary to a particular industry, and enforce it only if it is in accord with our economic and regulatory philosophy."

"The extraordinary ability and willingness of natural gas companies * * * to attract capital and construct new facilities causes us to question whether the incentive provided by section 167 of the Internal Revenue Code is necessary or desirable for this industry."

In cases which followed, the FPC reiterated its Amere decision and permitted utilities to levy rates based on inflated Federal tax allowances. The FPC continued to say, in effect, that its hands were tied, that it was simply applying the law as Congress wrote it.

But then came a Fifth Circuit Court of Appeals decision. While the court did not upset the FPC's decision on "phantom taxes," it did note that the intent of Congress was not really involved, that this was an FPC matter. Said the court in a gas case appeal brought before it by the California commission:

"We think, in short, that there is no statutory authority for the Commission (FPC) to treat actual savings in taxes to which natural gas companies are entitled any differently than savings in any other cost of service."

When several Kentucky cities appealed another FPC gas rate decision to the Fourth Circuit Court, that court also indicated that the treatment of tax deductions was up to the FPC's discretion. On rehearing that case, the FPC tried to answer charges that it had used its own discretion instead of following the intent of Congress. Said the FPC:

"We think these arguments are misconceived. We are not using our discretion, but following the intention of Congress in determining that the utility is privileged to retain initially the benefits of all three tax incentives—liberalized depreciation, percentage depletion and the intangibles."

But when the California case mentioned earlier was taken to the U.S. Supreme Court by the State commission, what did the FPC say? In its brief urging the High Court not to review the case, the FPC declared early in 1961:

"The issue is not a basic question affecting the law of utility regulation, but a relatively narrow, though recurring, accounting problem within the discretionary province of the Federal Power Commission." The FPC added:

"No general issue of law is involved, only a discretionary choice among competing accounting systems. Such a choice is not one which warrants review by this Court. * * * the choice is one which can be changed by the Commission should it become convinced that the other method is preferable."

This FPC brief, incidentally, was signed by the Kennedy administration's Solicitor General.

To sum up: The FPC under the previous administration first said it had no choice but to follow the intent of Congress and permit utilities to charge consumers for "phantom taxes." It repeated this 1956 contention until early 1961, when it reversed itself and argued that the issue was one for the FPC's discretion, not a matter of law. The Solicitor General agreed. Lower courts had already made the same point.

It would seem, therefore, that the new FPC members have it within their discretion to take a good hard look at the "phantom tax" issue and to serve the public interest by ending "phantom tax" subsidies to gas and electric companies. Utility consumers would be delighted, to say the least, to no longer have to pay power and gas bills which include more money for taxes than the utilities relay to the Government.

Mr. GORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. GORE. Is it correct to conclude, from the remarks of the able Senator from Illinois, that while one Government agency gives to certain utilities a tax reduction, another Government agency permits them to charge the public utility rates as if the taxes had been paid, when in fact they were not paid, and were not even owed?

Mr. DOUGLAS. The Senator from Tennessee has put his finger exactly on the point.

Mr. GORE. Does the Senator know whether that has continued under the present administration?

Mr. DOUGLAS. I do not believe a ruling has been made on it yet, but they are about to decide.

Mr. GORE. I am glad the Senator has called attention to this fact. Let us hope the present administration will make a decision in the interest of the people.

Mr. DOUGLAS. I hope that very much; and in the new tax bill which we hope will come to the Senate, if an investment credit should be granted—and I am not at all clear that it should be, but if it is granted—we should have a saving clause in the bill to safeguard the future.

Mr. GORE. Will the Senator yield further?

Mr. DOUGLAS. I yield.

The VICE PRESIDENT. The time of the Senator has expired.

Without objection, the Senator is yielded an additional 3 minutes.

Mr. DOUGLAS. I thank the Presiding Officer.

Mr. GORE. The tax credit, as I understand, is advocated on the basis that U.S. business needs this additional tax reduction in order to compete in international trade. I wonder what international competition is engaged in by American utilities.

Mr. DOUGLAS. The Senator from Tennessee really provides the answer to his own question—they produce only for the domestic market.

Mr. GORE. They do not produce at all for the foreign markets.

Mr. DOUGLAS. That is correct.

Mr. GORE. Will the Senator yield further?

Mr. DOUGLAS. Certainly.

Mr. GORE. I wonder in what international trade competition an automobile sales agency in Nashville, Tenn., or Peoria, Ill., engages?

Mr. DOUGLAS. They engage in domestic commerce or trade, of course.

Mr. GORE. Yet, as I understand the draft of the bill as it is presently standing, a tax credit would be given to that kind of service agency.

Mr. DOUGLAS. I think it should be said, in justice to the Treasury Depart-

ment, that it was opposed to an investment tax credit for utilities and if the utilities were included under such a provision, as I believe the House Ways and Means Committee has tentatively decided, it would be by legislative action, and not by administrative pressure.

Mr. GORE. Well, as so often happens, once we start out upon a course that is in the wrong direction, we are apt to be propelled further in that direction than we intended to go.

Mr. DOUGLAS. That is true. I hope the warning which I have tried to serve this morning may have some influence both on the Federal Power Commission and on the Congress of the United States.

Mr. GORE. Will the Senator yield further?

Mr. DOUGLAS. I yield.

Mr. GORE. As an economist, as the able distinguished Senator from Illinois, is, I would like to know if added depreciation allowances show up on the books of a taxpayer as additional profit or whether, in fact, they do not show up in a greater set-aside reserve for depreciation, real or unreal, and that in fact the books may show less profit, while the dividends may be greater and the cash flow may be greater?

Mr. DOUGLAS. As I understand the situation, the Senator from Tennessee is correct. I think in practice in these cases the deductions were taken on the tax return, but the economies were not passed on at the rate structure level.

The VICE PRESIDENT. The time of the Senator from Illinois has expired. Is there further morning business?

ARMY TIMES CITES PROBLEM OF SCREENING IN CALLUP OF RESERVISTS

Mr. YARBOROUGH. Mr. President, on January 27, 1962, the Army Times carried a most informative article by Mr. Randall Shoemaker, which indicated that a considerable number of Ready Reserve fillers have been called to active duty by mistake. The article points out that this group are not those who were victims of earlier administrative errors, but young men who fell within a "gray" area in which policy has only recently been clarified.

I know of one case in which a young man served 5½ years and was called back to duty in the recent callup. When this was brought to the attention of the military forces they admitted it was a mistake and promptly released him. There are other such cases.

Because the article deals objectively and fairly with subject matter which easily lends itself to sensationalism, I shall ask unanimous consent that the article appear in the Record.

Mr. President, the imposition of military duty—even when validity and accurately imposed—causes considerable sacrifices in time and loss of earning potential, interruptions in educational plans, separation from home and family, to say nothing of the more basic sacrifice of personal liberty. The impositions resulting from an erroneous call to military duty cannot be justified

and there should exist some means by which these young men might obtain reasonable recompense. If no means exist, however, it would seem incumbent upon us to provide a method to redress the impositions to which these young men and their families have been subjected.

This article from the Army Times, for which the associate editor is Larry Carney, points out that there can be quite a large number of people who have been erroneously recalled to service, after long years of service, in the emergency call-up.

I ask unanimous consent that the Army Times article of January 27, 1962, under the title "More Fillers Due Release" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MORE FILLERS DUE RELEASE

(By Randall Shoemaker)

WASHINGTON.—The Army has discovered another group of several hundred—or possibly several thousand—Ready Reserve fillers who were called to active duty by mistake, it was learned this week.

The affected reservists are not those who were victims of administrative foulups which came to light earlier in the Berlin crisis buildup. The new group wound up on active duty because their service obligations fell within a "gray" area in which policy only recently has been clarified.

Active Army commanders several weeks ago began checking records of the 40,000 Reserve fillers in their units to identify those eligible for release. Following the policy established when previous mistakes were discovered, the individual is given the opportunity to stay on active duty if he wishes.

Those eligible for release are fillers who completed at least 5 years of combined active duty and Reserve service before October 1, 1961, and did not sign an agreement to stay in the Ready Reserve beyond that date.

In addition to the screening of recalled fillers, the action also calls for corps headquarters to transfer many thousands of Ready Reserve reinforcement pool members to Standby Reserve status. These personnel were not recalled but are otherwise similar to those being released from active duty.

Most of the individuals affected are expected to be men who originally enlisted or were inducted before August 10, 1955, the date the Reserve Forces Act became effective. All men entering the active Army or a Reserve component before RFA acquired an 8-year obligation.

Eight-year obligors, under current law, may qualify for transfer to Standby by serving a combination of active duty and satisfactory participation in an accredited training program of the Ready Reserve for a total of at least 5 years. Otherwise, they normally must serve out the 8 years in Ready status.

A key factor in the current screening action was a recent Army legal decision regarding the definition of satisfactory service. Before RFA, there were no enforcement provisions to put teeth into the Reserve training obligations and consequently there was no effective mandatory training program. Some individuals volunteered to attend regular drills, but the majority of reservists did nothing because they were not directly ordered to do anything.

Reexamining this situation, the Army's legal experts reportedly decided these individuals could not be held in Ready status until the end of their 8-year terms.

Another decision by the legal experts added a complication. Some 8-year obligors who originally enlisted in the National Guard

or USAR were never on active duty before the call-up. For this purpose, active duty for training is not counted as active duty. However, even 1 day of active duty, it was decided, would be sufficient to bring a man under the rule of transfer eligibility after 5 years' combined service.

One group which would benefit from this loophole are former Guardsmen who served on active duty in 1957 during the Little Rock school integration controversy and later went into the USAR filler pool. If they were recalled, and had not volunteered for Reserve service beyond October 1, 1961, they would be eligible for release from active duty.

REPORT OF RESOLUTIONS COMMITTEE OF SOUTHERN WEIGHTS & MEASURES ASSOCIATION

Mr. KEFAUVER. Mr. President, it is with great pleasure that I offer for insertion in the CONGRESSIONAL RECORD a resolution of the Southern Weights & Measures Association adopted at their conference October 23-26, 1961.

The association represents 17 Southern States and the District of Columbia and has done yeoman work in assisting and protecting the consumers of the South. Incidentally, its new president, Matt Jennings is from my own State of Tennessee where he serves as director, division of marketing, State department of agriculture.

The resolution praises Senator PHILIP A. HART for the great progress he has made in the investigation of misleading and deceptive packaging and pledges him and his associates the support and cooperation of the Southern Weights & Measures Association in this endeavor.

The investigation of packaging and labeling practices has, of course, been carried on as a project of the Senate Antitrust and Monopoly Subcommittee and has already resulted in many worthwhile packaging and labeling changes benefiting the American consumer.

When I designated Senator HART to head that phase of the subcommittee's activities dealing with trade and commercial practices directly affecting consumers, I was confident that he would do the kind of job that would reflect favorably on the work of the subcommittee. Now that his inquiry into such practices has become an integral part of our program, I am proud that we have received the commendation and support of so distinguished and important a group as the Southern Weights & Measures Association.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF RESOLUTIONS COMMITTEE OF THE SOUTHERN WEIGHTS & MEASURES ASSOCIATION, IN CONFERENCE, OCTOBER 23-26, 1961

Whereas Senator HART, of the U.S. Congress, is making great progress in his investigation of misleading and deceptive packages; and

Whereas his activities are fully in accord with our thinking: Therefore be it

Resolved by the Southern Weights & Measures Association (in conference at Atlanta, Ga., October 23-26, 1961), That we commend him and his associates for their investigations into the purported practice of putting into the channels of trade packages which are deceptive in form, or fill, or weight, or which are so labeled as to

mislead or deceive a prospective purchaser as to quality or quantity of contents; and further, do pledge our support and cooperation in his endeavor: Be it further

Resolved, That a copy of this resolution be sent to Senator HART and a copy be spread on the minutes of this association.

C. D. BAUCON,
Chairman.
H. K. SHARP.
L. T. WILLIS.

TRIBUTE TO JAMES V. BENNETT

Mr. KEFAUVER. Mr. President, I wish to express my best wishes to Mr. James V. Bennett upon the completion of his first 25 years as Director of the Federal Bureau of Prisons. The Nation will indeed be fortunate if the record of this agency during the next quarter century is as successful as it has been under his direction during the last.

Jim Bennett's achievements and contributions in the field of penology have ranged far beyond those of an excellent administrator. Because of his accomplishments in the Federal prison system, he has been called upon by our armed services, several foreign governments, many States including my own, and numerous cities, including those in Tennessee. He has helped them work out problems of constructing and staffing their prisons, rehabilitating prisoners, and improving their laws governing the commitment and custody of lawbreakers.

As a member of the Committee on the Judiciary, I remember particularly an occasion in 1958 when Mr. Bennett enlisted my support of a bill which later became Public Law 85-752, and I was happy to give it. This law was designed to remove inequities in sentences for Federal crimes, and time and experience have more than proved its worth.

Skill and knowledge have, of course, contributed to Jim Bennett's success. But just as important a factor, I believe, has been his humanitarianism—a concern for his fellow man that best reveals itself in the Bureau's policy of beginning the rehabilitation of an inmate on his first day in prison.

Jim Bennett is one of our most dedicated public servants. He deserves every salute that a grateful Nation can accord him.

FORESTRY RESEARCH PROGRAM AT ALEXANDRIA, LA.

Mr. ELLENDER. Mr. President, the forestry research program at Alexandria, La., would be greatly benefited and made much more efficient through the construction of a \$900,000 laboratory which has been proposed. The project involves construction of a modern laboratory and remodeling of a structure recently obtained as a Federal surplus building. Together these facilities would house five important lines of research: direct seeding and timber culture research, range management, fire research, insect control studies, and forest products utilization.

Mr. President, it was my privilege to visit this entire area last summer. Louisiana is becoming green again. Many acres of land which were nothing but charred stumps now are filling up

with young trees. It is my hope that some research can be conducted to the end that all these trees, as well as a lot of hardwood located within the State of Louisiana, can be utilized in some way.

Forest products utilization is one of the most important fields of research that needs to be intensified. The program at Alexandria would be developed in close coordination with the work at the Forest Products Laboratory at Madison, Wis. The new laboratory would house forest products investigations of particular concern to the southern pine and hardwood industry. It would emphasize research on the most pressing current problems and would bring to the South the much needed technical applications of the latest new developments in this field.

Several years ago, the very inadequate offices and laboratory housing the forestry research program in Alexandria burned to the ground. Since that time, the scientists located there have had virtually no modern facilities for their research. The proposed \$900,000 laboratory would not only provide for these workers but also would enable other research scientists at scattered locations and without modern facilities to be brought to this location. Their work would be greatly benefited by this modern laboratory.

I express the hope that work on this facility will be started soon.

HHFA: AN ADMINISTRATIVE MONSTROSITY

Mr. WILLIAMS of New Jersey. Mr. President, as a longtime and strong supporter of the proposal to establish a new Department of Urban Affairs and Housing, I have heard many arguments advanced both for and against such a Department. But all of us who have spoken on this subject have been, so to speak, on the outside looking in. I think it is time for us to hear the views of a man who should know, Dr. Robert Weaver, who presides over what he has aptly described as the "administrative monstrosity" we call the Housing and Home Finance Agency.

I ask unanimous consent that a speech by Dr. Weaver on the subject of the new Department, delivered at Rutgers University in my own State of New Jersey on January 31, be included in the RECORD at this point:

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS BY ROBERT C. WEAVER, ADMINISTRATOR, HOUSING AND HOME FINANCE AGENCY, TO THE URBAN STUDIES CENTER, RUTGERS UNIVERSITY, NEW BRUNSWICK, N.J., JANUARY 31, 1962

Your director, John Bebout, was remarkably farsighted when he was planning this lecture series last August. For he arranged the opening lecture in a week of great significance in the development of our national policies in urban affairs.

It was just 1 week ago today that President Kennedy announced he would send to the Congress a reorganization plan creating a Cabinet-level Department of Urban Affairs and Housing. And yesterday that plan went before Congress and before the Nation.

One of the topics it was suggested I could talk about tonight was the role of the Government in urban affairs.

The action of the President yesterday is a vital step in the development of that role. At the risk of being somewhat less academic than you might have expected, I would like to talk about it. And perhaps in the course of the discussion you will still learn something about the philosophy and the dynamics of urban affairs.

Your Urban Studies Center is now in the midst of its first year. As a consultant to the Ford Foundation I was interested in the grant which made the center possible. And now, as a Government official, I am interested in the work being carried on here.

When a grant for the Urban Studies Center was proposed to the Ford Foundation many of the same questions were raised that are now being raised about the Department of Urban Affairs and Housing.

Why, it was asked, was such a center needed? Academic disciplines are well defined and jealously protected. Were not the traditional disciplines carrying out all the research that was needed, and training all the specialists that were needed? Why create a center with a subject cutting across these disciplines, and confusing them?

Our answers to these questions came ultimately from history: Urban studies had become so vital to our knowledge of current problems that they needed a focus—a center where the resources of all the traditional disciplines could be concentrated, and the benefits they had to offer coordinated.

This was not a simple concept to grasp, or an easy one to convey to other people. But we persuaded enough people of its validity, the center was established, and now it is proving itself.

In helping to establish the center we were responding on the academic level to many of the same demands that now can be felt on Government. And we were reaching toward solutions at the academic level that we are now reaching toward in Government.

In his state of the Union message, just a few days ago, the President said "both equity and commonsense require that our Nation's urban areas—containing three-fourths of our population—sit as equals at the Cabinet table. I urge a new Department of Urban Affairs and Housing."

Proposals for the creation of such a Department have been before the Congress many years. They have been thoroughly investigated and considered by the committees of Congress. And the Government Operations Committees in both the Senate and the House have approved bills that would establish such a Department.

The reasons given by these committees for establishing a Department of Urban Affairs and Housing are these:

To improve the administration of Federal programs in these fields.

To provide leadership in the executive branch of our Government for the coordination of Federal activities in these fields.

To encourage State, county, local, and private efforts to solve the numerous problems resulting from the rapid growth of our urban areas.

To insure that the needs and interests of those who live in those urban areas are adequately represented in the executive branch of the Government.

Those who oppose the Department of Urban Affairs and Housing often fear creation of a new Federal bureaucracy and a mushrooming of Federal expenditures. They sometimes cite the growth in the Department of Health, Education, and Welfare as an example.

This is a fear which confuses cause and effect. The Department of Health, Education, and Welfare was created because, as President Eisenhower said: "Such action is demanded by the importance and magnitude

of these functions, which affect the well-being of millions of our citizens."

The importance and magnitude of those functions did not stop growing because the Department of Health, Education, and Welfare was created. They continued to grow as Congress added to them. And Congress would have added to them whether or not the Department had been established.

The Department of Urban Affairs and Housing under the reorganization plan does not, and could not, create any new governmental function. Instead it establishes a more efficient administrative structure for the performance of the functions already authorized by Congress and assigned to the Housing and Home Finance Agency.

The additional cost of the new Department would be \$51,400—the compensation of the seven senior officials of that Department less the salaries now being paid for positions in the Housing and Home Finance Agency which would be abolished or become unnecessary.

The management efficiencies made possible by the new Department would offset that cost several times over.

To understand the need for the Department of Urban Affairs and Housing one really needs to understand the Housing and Home Finance Agency—and there are not many people who do.

I once made some of my associates unhappy by describing the HHFA as an "administrative monstrosity." That may not have been proper bureaucratic language. But it was a pretty accurate description. And it is about time something was done about it.

The Housing and Home Finance Agency came into being in 1947, under a reorganization plan of President Truman's. Its purpose was to bring order into the housing activities of the Federal Government as this Nation rushed to meet housing needs pent up during 15 years of depression and war.

At first the activities of the HHFA were primarily concerned with housing—the low-rent housing programs of the Public Housing Administration and the insurance of home mortgages by the Federal Housing Administration.

But over the years Congress has steadily expanded the responsibilities of the Agency in the area of urban affairs. In 1949 the slum clearance and urban renewal programs were authorized. In 1950 the Federal National Mortgage Association became part of the Agency. In 1954 the Urban Renewal Administration and the Community Facilities Administration were established within the HHFA.

Today the Housing and Home Finance Agency is no longer an agency concerned primarily with housing and home finance. Whether we call it an agency or a department, it is the arm of the Federal Government which administers its program of urban affairs and housing. And these are programs which Congress has been steadily increasing and elaborating.

We should not continue indefinitely creating new programs, expanding old ones, and turning everything over to the same creaking bureaucracy. Sooner or later a point is reached when the administrative structure must be changed, or it can no longer do what is demanded of it.

We are now far past the point with the Housing and Home Finance Agency. By every test of efficiency, of intelligent management, and of good government there must be a consolidation and reorganization of functions within this Agency if duplication, conflicts, and waste are to be eliminated. And this is one purpose of the reorganization plan proposed by the President.

Whenever we succeed in demonstrating that establishing a Department of Urban Affairs and Housing will not of itself enlarge

the functions of Government, increase Government spending, or create a new bureaucracy, we arouse other misgivings.

Then it is argued that the new Department will not do anything beyond what is now being done—so why bother?

In reply we have to recall again the criteria in establishing other departments: the importance and the magnitude of the functions involved, and the number of persons whose well-being is affected.

The function of the Department of Urban Affairs and Housing would be to assist States, communities, and private interests in the preparation of comprehensive plans for community development and redevelopment; the elimination of slums and blight through clearance and rehabilitation; the planning and construction of redevelopments to provide better homes for Americans, better locations for the offices and shops where they work, and better commercial facilities to serve them; the preservation of open space in urban areas for recreation and conservation; the preservation and development of urban transportation systems; the planning and construction of community facilities; the financing of residential construction and rehabilitation; the financing of home ownership; the financing of home improvements; and the maintenance of a stable market for Government-insured mortgages.

All of these are matters of major public importance, for which policies should be set at the Cabinet level.

The provision of good housing for lower-income families has to be coordinated with the efforts of the Department of Health, Education, and Welfare to meet other needs of those families.

The provision of good housing for those who live on our Indian reservations has to be coordinated with the Department of the Interior.

The relationship between programs for urban, suburban and rural housing has to be coordinated with the Department of Agriculture.

Programs for the provision of housing at or near military bases must be coordinated with the plans of the Department of Defense.

Operations in the home mortgage market must be carefully coordinated with the Department of the Treasury.

Assistance to communities for the preservation of open space for recreation and conservation must be coordinated with the Department of the Interior.

Assistance to communities for the development of adequate systems of mass transportation must be coordinated with the Department of Commerce, which is responsible for our Federal highway program.

President Kennedy has not waited for the creation of a Department of Urban Affairs and Housing to begin his efforts to achieve this coordination. He began it as soon as he took office and has worked at it ever since.

His proposal for the Department of Urban Affairs and Housing is an essential next step in this continuing endeavor.

The magnitude of the functions which would be brought under the new Department of Urban Affairs and Housing is one of the strongest arguments for its creation. For it does not make sense that Government activities of such magnitude should be carried on outside the highest council of Government.

The Director of the Bureau of the Budget, David E. Bell, pointed out in his testimony on the President's proposal that only 3 of the 10 departments now in the Cabinet have larger gross expenditures than the Housing and Home Finance Agency. Those expenditures in fiscal year 1960, he told the Congress, were \$4.6 billion—more than all departments save Defense, Treasury, and Agriculture.

One of the major activities of the Housing and Home Finance Agency is the provision of credit assistance to private and public borrowers and grants to local public agencies. For fiscal year 1961 the Agency's new commitments, overall, to insure private loans and make direct loans and mortgage purchases amounted to an estimated \$12 billion—or almost two-thirds of the financing assistance provided by all Federal credit programs.

The Federal Housing Administration—which would continue as an entity within the proposed Department—last year insured the mortgages on about one out of every five of the new housing units built in the country. The total amount of FHA insurance which has been written is over \$72 billion—making the FHA one of the largest insurance operations in the world.

The Federal National Mortgage Association—which would also remain an entity within the proposed Department—last year bought and sold over a billion dollars worth of mortgages, and increased its total holdings to over \$6 billion.

Major increases in the programs of the Housing and Home Finance Agency were authorized by the Housing Act of 1961 and are provided for in the budget the President has just submitted for fiscal 1963.

These budget proposals anticipate \$2.5 billion in urban renewal activity and special housing financing—more than a third greater than the program levels in the current fiscal year. FHA mortgage commitments are expected to increase 13 percent over the current fiscal year; the number of units of public housing contracts are expected to increase 17 percent.

What budget levels the Congress will determine remains to be seen, of course. But it is obvious that the magnitude of Federal activity in this field will continue to increase—whether or not the new Department is created.

The number of persons affected by its programs is another strong argument for establishing a Department of Urban Affairs and Housing.

The shift in population from rural to urban areas is perhaps the single most dramatic development of our time. It is a worldwide phenomenon, going on in both under-developed and highly developed countries regardless of their political or economic systems or the level of their culture.

In this country it has transformed a predominantly rural and agricultural country to one that is predominantly urban and industrial. Yet our institutional forms—of which our Government is only one—have not kept pace with this transformation. The President's proposed Department of Urban Affairs and Housing is one attempt to adapt our Government to this reality.

In 1789, when our Constitution went into effect, there were only 24 communities in the country with a population of 2,500 or more. The combined population of those urban areas was 202,000, or 5 percent of the total population of 3.9 million persons.

A century later, when the Department of Agriculture was raised to Cabinet status, 80 percent of our population lived in rural areas and only 20 percent was urban.

Today, however, 130 of the 184 million Americans live in urban areas. Two-thirds of our population increase in the last decade was in metropolitan areas. Virtually all of our future population growth—estimated at 90 million in the next 20 years—will take place in those areas.

In his message to Congress yesterday, transmitting the reorganization plan for the new Department, President Kennedy said:

"The times we live in urgently call for this action. In a few short decades we have passed from a rural to an urban way of life; in a few short decades more, we shall be a Nation of vastly expanded population, living in expanded urban areas in

housing that does not now exist, served by community facilities that do not now exist, moving about by means of systems of urban transportation that do not now exist. The challenge is great and the time is short.

"Our cities and the people who live in and near them need and deserve an adequate voice in the high council of Government. The executive branch and the Congress need an adequate instrument to assist them in the formulation and execution of policy concerning urban affairs and housing. States and local governing bodies urgently need an agency at the department level to assist them in formulating and carrying out their local programs for dealing with these problems. All these needs can best be met through the establishment of the Department provided for in this reorganization plan."

Thank you for inviting me to open this series of lectures marking the centennial of the act creating our land grant colleges—a centennial coinciding with the establishment of the Department of Agriculture.

It is significant, I think, that this centennial should come at a time when our country is preparing to take another important step in Federal aid to education, and also to establish another important department of Government.

Those who profess to fear the consequences of Federal aid to education should give some thought to the history of the land grant colleges, such as Rutgers. For it was Federal aid to education in the form of land grants that made possible the great contributions made by those colleges to the growth and prosperity of our Nation.

In considering the establishment of a Department of Urban Affairs and Housing we should give thought to the precedent to be found in the establishment of the Department of Agriculture.

In his first annual message to Congress, President Lincoln said:

"Agriculture, confessedly the largest interest of the Nation, has not a department nor a bureau, but a clerkship only, assigned to it in the Government. While it is fortunate that this great interest is so independent in its nature as to not have demanded and extorted more from the Government, I respectfully ask Congress to consider whether something more cannot be given voluntarily with general advantage."

A century has passed since Lincoln penned those words. The largest interest of our Nation today is in its urban areas. We know that those areas are inadequately represented at many levels of government. And it is time, some of us believe, to "respectfully ask Congress whether something more cannot be given voluntarily with general advantage."

Here at the Urban Studies Center you are pioneering on the urban frontier. A necessary prerequisite of intelligent Government policy is knowledge—knowledge based both on political judgments and on research.

If we are to cope with the myriad problems resulting from the era of intensive urban growth into which we now have entered we will need men who have been trained to understand and assess those problems; men with the imagination to find solutions, the diligence to research them, and the judgment to implement them.

It was my hope, as a consultant to the Ford Foundation when the Urban Studies Center was first proposed, that it could be the vehicle not only for the performance of this research, but also for the training of men who will be needed to apply the results of that research.

You have made an excellent beginning in the first year of the institute. I look forward eagerly to watching your progress in the future. And I hope that as a result of your progress other colleges and universities—in addition to those which have already done so—will establish similar centers.

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

ORDER FOR ADJOURNMENT UNTIL THURSDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today it stand in adjournment to meet at 12 o'clock noon on Thursday next.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER OF BUSINESS

Several Senators addressed the Chair. The VICE PRESIDENT. The Senator from Virginia is recognized.

Mr. ROBERTSON. Mr. President, I yield to my colleague from Delaware for a unanimous-consent request.

The VICE PRESIDENT. Does the Senator from Delaware have a statement to make?

Mr. ROBERTSON. Mr. President, I yield 5 minutes to the Senator from Delaware, without losing my right to the floor.

Mr. WILLIAMS of Delaware. Mr. President, the Senator from Virginia is very courteous. I shall be glad to wait.

The VICE PRESIDENT. Will the Senator need 10 minutes?

Mr. WILLIAMS of Delaware. I do not think it will take over 10 minutes.

The VICE PRESIDENT. Is there objection to the Senator from Virginia yielding for not to exceed 10 minutes to the Senator from Delaware?

Mr. ROBERTSON. How much time did the Senator ask?

The VICE PRESIDENT. Ten minutes. Is there objection to the Senator from Virginia yielding 10 minutes to the Senator from Delaware? The Chair hears none, and without objection the Senator from Delaware is recognized.

FANCY BOOKKEEPING ON THE NEW FRONTIER

Mr. WILLIAMS of Delaware. Mr. President, the Kennedy administration is boasting a \$1½ billion reduction in its inventories of surplus agriculture commodities.

Today I wish to discuss how this is merely a phantom \$1½ billion reduction in the Government's investment in its inventories of surplus agriculture commodities, and I will show how this imaginary claim of \$1½ billion reduction is in reality merely the result of some "fancy" bookkeeping on the New Frontier.

On January 12, 1962, the Department of Agriculture issued a report stating that as of November 30, 1961, the total investment of the Commodity Credit Corporation in price support loans and inventories amounted to \$7,647,236,000 and called attention to the fact that on December 31, 1960, the investment of the Commodity Credit Corporation in surplus agriculture commodities had been \$9,228,604,000. Thus they showed a reduction of agriculture commodities

during the first 11 months on the New Frontier of approximately \$1½ billion.

The President, in his farm message as sent to the Congress under date of January 30, 1962, called attention to the fact that the Government stocks of farm products have been reduced for the first time in 9 years and when his administration had taken over early last year the inventories had amounted to over \$9 billion. I quote from his message:

By the beginning of 1961—when the emergency legislation was introduced to reduce inventories—the Commodity Credit Corporation had over \$9 billion in loans and inventories.

In his press conference of February 1, when commenting upon the excess inventories in our strategic stockpiling program he referred to the value of our surplus farm products now in storage as being less than \$7.7 billion.

Last year the New Frontier administration under its feed grains program spent nearly \$700 million, paying the American farmers to reduce their acreage of feed grains—corn, sorghums, et cetera—but this program was a dismal failure as evidence by the fact that instead of getting a reduction of 20 million acres of corn—based upon their own report—the 1961 corn acreage was reduced by only 15.4 million acres.

Thus, in 1961 the Secretary of Agriculture paid over \$150 million for the removal from production of 4½ million phantom acres, acreage which never would have been put in feed grains anyway.

To cover up this multimillion-dollar failure the Kennedy administration has merely changed its bookkeeping system, and after juggling a few figures they now come up with the fantastic claim of a \$1½ billion reduction during the first 11 months under the New Frontier administration in the Government's investment in inventories of surplus agriculture commodities.

I will now show that this claim of a \$1½ billion reduction in the Government's investment in inventories of surplus agriculture commodities is just as unrealistic as was Mr. Kennedy's campaign dream about a missile shortage.

In fact, instead of a \$1½ billion reduction there have actually been increases in the Government's stockpile of practically all commodities except cotton.

This is how the books were juggled to create this false impression:

CORN

On December 31, 1960, the Commodity Credit Corporation's books showed 1,471,276,965 bushels of corn in inventory which were carried at a value of \$2,444,716,557.76. On November 30, 1961, this administration, after having paid nearly \$700 million to farmers not to grow grain, ended up with an inventory of corn totaling 1,472,845,459 bushels, or an actual increase in corn inventories of 1,568,494 bushels. Now comes the fancy New Frontier style of bookkeeping. To show a reduction in the overall inventories they merely reduced the valuation of this larger inventory of corn from \$2,444,716,557.76 to a lower valuation of \$1,878,186,125.28. This gave them an imaginary reduction of \$566,530,432.48 in

the Government's investment in its inventory of corn. This reduction in inventory was claimed notwithstanding the fact that in reality they actually had over 1½ million more bushels of corn on hand.

WHEAT

The Frontiersmen followed the same procedure in juggling the values of their inventories of wheat. For instance, on December 31, 1960, the Commodity Credit Corporation reported a wheat inventory of 1,132,960,901 bushels with a total valuation as of that date of \$2,948,309,682.55. Their inventory as of November 30, 1961, was 1,145,343,252 bushels upon which they placed a valuation of only \$2,269,493,531.22. Thus, they showed a reduction in this category of \$678,816,151.33, although wheat inventories had actually been increased by 12,382,351 bushels.

GRAIN SORGHUMS

On December 31, 1960, the Commodity Credit Corporation books show an inventory of 311,965,117 hundredweight of grain sorghums upon which they placed a valuation of \$858,355,475.58. During the succeeding 11 months the Government's inventory of grain sorghums was increased by 38,407,575 hundredweight to a total of 350,372,692 hundredweight, but again in an effort to deceive the American people into thinking that under this administration's agriculture program progress was being made toward a reduction in agriculture inventories they reduced the valuation of this higher inventory to \$670,700,139.92, or a reduction of \$187,655,335.66. On grain sorghum during 1961 there was actually an increase of over 38 million hundredweight in inventories but the New Frontier claimed a reduction of over \$187 million.

These three discrepancies alone account for \$1,433,001,919.47 of the President's imaginary progress toward reducing agriculture commodity inventories.

COTTON

It is true that the Department did reduce the inventories on cotton during this first 11-month period of 1961. Cotton inventories were reduced from 4,969,016 bales on December 31, 1960, to 1,448,750 bales on November 30, 1961, with a corresponding reduction in the valuation of such inventories of around \$590 million, but this reduction was many times offset by the over \$1½ billion increases in inventories of corn, wheat, grain sorghums, butter, cheese, and dried milk. For instance:

BUTTER

There has been a \$80 million increase in the Government's inventory of butter during the first 11 months of the Kennedy administration. One of their first actions was to raise the price supports on dairy products. This step was taken over the opposition of many farm leaders and many of us in Congress who warned that while the immediate benefits of this action might be pleasant to the farmers the long-range results would be disastrous. The result of the Government's action last year was that inventories of butter jumped from 66,295,284 pounds on December 31, 1960, valued at \$39,603,695,

to 199,610,965 pounds valued at \$120.-544,151.13 on November 30, 1961, or an increase in inventories of 133,315,681 pounds and a dollar increase of \$80.-940,456.13.

DRIED MILK

During the same 11-month period inventories of dried milk skyrocketed. They jumped from 279,836,322 pounds valued at \$39,520,452.94 on December 31, 1960, to 355,429,573 pounds valued at \$56,564,349.63 at the end of November 30, 1961. This was an increase in dried milk inventories of 75,593,251 pounds or a dollar increase in inventories of \$17,043,-896.69.

CHEESE

Under the Kennedy administration the Government's inventories of cheese jumped from zero on December 30, 1960, to 57,627,324 pounds valued at \$21,894,-770.98 at the end of November 1961.

This represents a total increase in inventories of dairy products—butter, dried milk, and cheese—of around \$120 million during the first 11 months of the Kennedy administration.

The actual figures prove that there can be no possible justification for the fictitious claim that under the New Frontier they have reduced the inventories of wheat, corn, and grain sorghums by around \$1.4 billion during the first 11 months of their administration. The fine print in their own books shows actual increases in inventories of all three commodities.

This fictitious claim of a \$1½ billion reduction in inventories of surplus agriculture commodities was for no other reason than to cover up the fact that the Kennedy administration's feed grains program of 1961 was a complete fizzle and to kid the American taxpayers and in particular to fool the American farmers into believing that they are actually making progress under the New Frontier's agricultural program.

At a time of the year when the Federal Government is expecting all American taxpayers to render a proper accounting of their 1961 earnings the least the administration could do is to be equally as honest in reporting to the people on its own operations.

STOCKPILING

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have inserted in the Record an article entitled, "Kennedy Impaled on Own Stockpiling Petard?" This article appeared in a recent issue of the New York Herald Tribune.

There being no objection, the article was ordered to be printed in the Record, as follows:

KENNEDY IMPALED ON OWN STOCKPILING PETARD?

(By Donald I. Rogers)

There can be no doubt that the stockpiling proclivities of the U.S. Government are—and always have been—something to merit not only constant supervision but frequent investigation. It is an amusing part of the legend that until a few years back the Army maintained a fairly substantial stockpile of cavalry saddles along with its unused hoards of canned hamburgers and tinned Willie-beef.

Unless there is a big scandal brewing, however, as Washington correspondents have been hinting, President Kennedy displayed unusual irresponsibility in his purely gratuitous and unsubstantiated statement that there had been "unconscionable profits" in the stockpiling program.

If Mr. Kennedy wants an investigation of stockpiling, he should have asked for it.

If, however, he wanted to make an indictment of the business community (whose support he has been wooing), that is exactly what he did.

With his ill-advised indictment of the businessman, though, he also indicted his own administration, for he clearly pointed up the fact that the Government, which he wants to have supervise economics for everyone everywhere, can't even handle its own economic and business affairs properly.

For the stockpiling is done by Government, not by business. The Government does the buying; business, the selling.

Government buying of strategic materials has been based on two basic ideas: (1) To stockpile things that must be shipped to this country from foreign ports and thus might be in doubtful supply during a war; and (2) to stockpile things mined or produced domestically that, normally, were not mined or produced in sufficient capacity to enable the country to fight a war.

In the case of the former, the profits involved were turned over to the foreign producers. In the case of the latter (domestic producers), prices paid by the Government were usually destitute prices, paid to keep an operation in business or to increase capacity.

This was not particularly true in aluminum (as it was in silver and other metals), but since the President singled out aluminum, it might be well to give that area some consideration.

At the outset of World War II aluminum was in desperately short supply. As a result, the Government created several multibillion-dollar aluminum producing plants.

It built up the producing capacity of the American aluminum industry and even went so far as to create plants in other parts of the world nearer the source of supply (Ghana, for instance).

At war's end, anxious to get out of business, the Government sold its aluminum plants to Reynolds, Kaiser, and others at less than cost, and obliged them to go into business against an established giant like Alcoa.

Betimes the stockpiling of aluminum continued—at the behest of Government, at prices fixed by Government.

But what is the biggest problem besetting the aluminum industry today? It is overcapacity.

Overcapacity is the problem in uranium, too, though it was only a few years back that the Government couldn't buy enough of it.

It wasn't until Uncle Sam had urged prospectors to go into all parts of the globe seeking uranium ores that it was discovered that the one thing the old world seems to be loaded with is uranium. We didn't need so much. Stockpiling ended.

This is only to point out that stockpiling requirements change from week to week, month to month. Only a short time ago, the Government couldn't buy enough lithium because it was regarded as the best of the high energy fuels for missiles. Later, scientists changed their minds. The stockpiling ceased.

Some armchair strategists say we should stockpile for a 3- to 5-year war. Others say we needn't bother because any war of the future may be ended in a few days.

Yet commonsense indicates that it isn't war we're concerned with so much as source of supply. Take tin. The principal supply comes from Latin America where, anyone

must admit, the possibility exists that the United States could become persona non grata. The second, and to all practical purposes, the only other source of supply of tin is from the Congo. This is an area where the source could be shut off at any time.

Under these conditions, who's to measure the length of time a stockpile should serve us?

The important thing is that most of this strategic stockpile has a market value. If we have overbought in any ore, metal, or product, most of them can be sold at current market prices, and that should mean, in most cases, that they can be sold at a profit.

So what's so bad about all this?

PEOPLE-TO-PEOPLE SENATOR — A TRIBUTE TO SENATOR HARRY BYRD

Mr. WILLIAMS of Delaware. Mr. President, there appeared in the February 7 issue of the Philadelphia Evening Bulletin, an excellent article written by Mr. Holmes Alexander entitled "People-to-People Senator."

In this article a well-deserved tribute is paid to one of the ablest Members of the U.S. Senate—Senator HARRY F. BYRD.

I ask unanimous consent that this article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

PEOPLE-TO-PEOPLE SENATOR (By Holmes Alexander)

WASHINGTON.—The U.S. Senate, like life itself, is full of pleasant surprises. Senator HARRY BYRD, one of the best-liked yet least accurately portrayed southerners of the clubby upper Chamber, went to the grassroots during the last recess, and had a perfectly wonderful time in ways that do not at all fit his public image.

Senator BYRD, the Virginia apple farmer and patriarch, flew 35,000 miles around the world, with a side trip or two, accompanied by a 20-language linguist so that he could talk with the folks far from the diplomatic centers in Japan, India, Nepal, Thailand, South Vietnam, Hong Kong, Italy, and way stops.

PAID OWN FARE

Although Senator BYRD was traveling primarily to equip himself with knowledge on measures that will come before the Finance and Armed Services Committees, he paid his own way. This is characteristic of the Senate's finest gentleman and legislative scholar, but almost exotic by modern political standards. I asked him why he went into his own pocket, and he said as casually as if he were imparting the time of day:

"If a man's able to pay his own way, he ought to do it. Besides, I wanted to do things, like mountain climbing, that were not strictly chargeable to committee work."

AVOIDED THE TOUR

Traveling unofficially, he dined with only two ambassadors and avoided anything like a guided tour. The Finance chairman, who will preside over the President's trade proposal Senate hearings, saw Japanese girls working at 28 cents an hour with American-bestowed machinery. Legalized abortion has halted runaway population in Japan, he reported, where the increase in the annual birth rate is only 1.5 percent. India's is 3 percent.

As ranking Democrat on Armed Services, where the President's new worldwide military policies are under review, Senator BYRD stood at the electrified wire fence between

British Hong Kong and Red China, flew in a single-engine plane around the lower ranges of Mt. Everest in the Himalayas, which stand partly in Nepal and partly in Tibet, and discussed guerrilla warfare and Red infiltration tactics with on-the-spot observers.

SKEPTICAL ABOUT ASIA

No true Virginian is ever a defeatist, and Senator BYRD does not believe in abandoning any people to communism—but he came away from southeast Asia feeling very skeptical about what the United States can do with arms and money.

The Senator has discussed his trip with the President, and does not plan the usual Senate floor travelog with which colleagues often regale the club. In a way, it's too bad because his private descriptions of the Taj Mahal, of snow-capped Fujiyama, of fuming Vesuvius and fog-bound Etna are classics. The results of Senator BYRD's journey will become manifest in the questions he puts to committee witnesses and the advice he gives on final passage of legislation. That's why he comes to Washington for the congressional sessions, and that's what he does.

A MOUNTAIN MAN

These realities about Senator BYRD don't fit the orthodox public portrayal of somebody more interested in budgets than people, a naysayer on nearly everything concerning foreign policy. But the Senator, born and raised in the Shenandoah Valley in the azure shadow of the Blue Ridge Mountains, has been in love with mountains ever since he began the Shenandoah National Park during his Virginia governorship three decades ago.

He personally sold President Roosevelt on the magnificent Skyline Drive across the southern highlands of Virginia, North Carolina, and Tennessee.

While he didn't start traveling abroad until a mission at the end of World War II took him to Europe to consult with General Eisenhower, he has been quietly on the go ever since.

A TRIBUTE TO BOYCE HOUSE, FAMED TEXAS STORYTELLER

MR. YARBOROUGH. Mr. President, Boyce House, one of the best known Texans of our times, has passed from the land of the living. Best known as a humorist, his works were quoted by Bennett Cerf. Carl Sandburg said his writing was of "that peculiar brand of valor and swagger which is Texas," and John Gunther said, "It's impossible to describe Texas without borrowing some of House's stories."

Boyce House's writings and compilations of Texas tall stories brought delight to the hearts of legions of readers over the years. More copies of his books have been sold than of any other Texas writer. Over 130,000 copies were sold of one of his books.

Mr. House was a talented and beloved humorist, storyteller, lecturer, after-dinner speaker, and poet whose brilliance will be missed on the American and Texas scene.

While Boyce House is best known as a writer and humorist, he was also a student of oratory and political reforms, a crusader of the agrarian populist type, who adored William Jennings Bryan, dedicated one of his books to Mr. Highsaw, his debate coach at Memphis (Tenn.) High School, and could quote Ingersoll, Bryan, and other orators by the hour. Boyce House's contribution

to the political life of Texas was considerable, and all for the better.

He covered political campaigns in Texas as a news reporter, then served successfully as publicity director, campaign manager, and candidate himself, in statewide political campaigns. Twice he was a candidate for Lieutenant Governor of Texas, the second time he made the runoff Democratic primary and ran a very strong race, sweeping many counties.

Boyce House was my friend. He aided me with his counsel in my own political races, and in one of my early races, served as statewide director of publicity. We spent weeks on the road together, traveling by automobile. Of all the people I have ever worked with in my political campaigns, Boyce House had the most fertile brain, vivid imagination, and came up with more original ideas.

Following his father's profession as a newspaperman, he began his training as a cub reporter on the Memphis Commercial Appeal. Ever after he paid ready and affectionate tribute to Editor C. P. J. Mooney as one of the great editors of America.

Later Boyce House was an outstanding Texas reporter on the Fort Worth Star-Telegram.

While some will say Boyce House's greatest fame will come as a humorist, or writer, or poet (his poetry was published in poetry magazines in both England and the United States), to me, he stands greatest as a friend. No economic pressure, no threats of reprisal, could dissuade him from standing with a friend in time of stress and need. As we say in Texas, "He will do to ride the river with." Out across the Great Divide, Boyce House's soul will be riding with similar trusty spirits.

Though Boyce House was best known as a writer of books on humor, his serious articles on history have been printed in a number of regional historical magazines and quarterlies.

At the time of his death, House was at work on two unpublished manuscripts—a life of William Jennings Bryan, and an account of his own political experiences in Texas.

Shortly before his death, he confided to a friend: "My book on Texas politics will be my best book. Who else has had the background for such a book as I have had? Who else has had successive experiences as a reporter covering statewide campaigns, then publicity director for statewide candidates, campaign manager for statewide candidates, speech writer and platform builder, then twice myself a candidate for statewide office; who else in Texas who can write has had such experiences?"

The stillness of destiny cut short his best manuscript.

The published works of Mr. House include: "As I Was Saying"; "City of Flaming Adventure: The Chronicle of San Antonio"; "Cowtown Columnist"; "Cub Reporter"; "Friendly Feudin', Alaska versus Texas"; "How I Took Hollywood By Storm"; "I Give You Texas"; "Laugh Parade of States, Star-Spangled Wit and Humor"; "Oil Boom, the Story

of Spindletop, Burkburnett, Mexia, Smachover, Desdemona and Ranger"; "Oil Field Fury"; "Roaring Ranger, The World's Biggest Boom"; "Roundup of Texas Humor"; "Tall Talk from Texas"; "Texas Laughs and The Amazing Truth About Texas"; "Texas Proud and Loud"; "Texas Rhythm and Other Poems"; "Texas Treasure Chest"; "Were You in Ranger?"; and "You Can Always Tell a Texan (But You Can't Tell Him Very Much)."

It was Mr. House who delighted the Nation in 1928 as a news writer with his stories about "Old Rip," the now-legendary horned frog from Eastland County, Tex.

In view of the place of honor that Boyce House holds in the hearts of Americans, I ask unanimous consent to place in the RECORD the following newspaper articles:

"Writer-Humorist Boyce House Dies," Dallas Times Herald, Sunday, December 31, 1961,

"Boyce House, Texan," Dallas Times Herald, January 2, 1962,

"Footnotes to Texas Life Died With Boyce House," Fort Worth Star-Telegram, January 1, 1962,

"Braggingest Texan, Boyce House, Dies," Fort Worth Star-Telegram, December 31, 1961.

"Boyce House Made 'Old Rip' Famous," the Abilene Reporter-News, December 31, 1961,

"Boyce House," the Abilene Reporter-News, January 2, 1962,

"Boyce House Rites Set 'Wednesday,'" Dallas Times Herald, January 1, 1962,

"This Is West Texas," Fort Worth Star-Telegram, January 5, 1962,

"House Praised in Resolution," Fort Worth Star-Telegram, January 5, 1962,

"Town Plans Memorial," Fort Worth Star-Telegram, January 5, 1962,

"Lions Boost Show, Pay House Tribute," Fort Worth Star-Telegram, January 4, 1962,

"Funeral Services Held for Humorist," Fort Worth Star-Telegram, January 4, 1962.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Dallas Times Herald, Dec. 31, 1961]

WRITER-HUMORIST BOYCE HOUSE DIES

FORT WORTH.—Boyce House, known as the braggingest Texan of them all, was found dead in his bed at his hotel here today.

The 64-year-old author and humorist, whose books of Texas tales have sold hundreds of thousands of copies, apparently died of a heart attack.

He had picked up his morning newspaper and gone back to bed to read it. A maid became concerned when he failed to rise and discovered him dead shortly before noon.

House suffered a heart attack last September and had been in ill health in recent months.

Although he had written on various topics, it was House's compilations of tall Texas tales that brought him renown. Most of the stories were familiar ones, but House maintained that people would rather hear stories they've already heard than new ones.

House started writing in 1935, but it was the publication of "I Give You Texas" in 1943 that gave him his first big boost. The book sold 130,000 copies, many of them to Texans overseas fighting the war.

Then came "Tall Talk From Texas" and "Texas Proud and Loud." Many others followed.

His only books not devoted to Texas were "Cub Reporter," about his newspaper days on the Memphis Commercial Appeal, and "Laugh Parade of States," a collection of funny stories from all over the United States.

VALOR, SWAGGER

House never went to college, but he didn't let that handicap him.

Carl Sandburg has described House's writing as "that peculiar blend of valor and swagger which is Texas."

House was born in Piggott, Ark., where his father was a printer and editor of a weekly newspaper. He spent his early boyhood in Texas, grew up in Memphis and returned to Texas in 1920.

He became editor of Eastland's daily newspaper in 1921, and it was there in 1928 that he broke the story of "Old Rip."

Old Rip was a horned frog which had been placed in the cornerstone of the Eastland County Courthouse 31 years before. The building was being torn down, and the man who had entombed the toad—then County Clerk Ernest Wood—believed it would be found alive.

RIP'S FAME

House, although dubious, saw the possibilities of the story and set it before his readers. A crowd of thousands gathered to view the opening of the cornerstone—and the horned frog was found alive.

They named it Old Rip and took it on a national tour which even reached the White House. President Coolidge was kept waiting 10 minutes for a chance to see the toad.

Old Rip died of pneumonia after a year of glory. His body now rests in a satin-lined casket in a glass case in the lobby of the Eastland County Courthouse.

In 1942 and 1946 House was a candidate for the Democratic nomination for Lieutenant Governor. He failed to make the runoff in 1942 but in 1946 he ran Allan Shivers a close second.

[From the Dallas Times Herald, Jan. 2, 1962]

BOYCE HOUSE, TEXAN

Texas brags about many things, sometimes with good reason.

And none ever bragged about his adopted State more than did Boyce House, writer, newsmen, and folklorist, who made a career of telling other people about Texas. Among his better known books was one called "Texas Brags."

He began his newspaper career at Memphis, Tenn., and came to Texas in 1921, working as editor of newspapers at Ranger and Eastland during the oil boom there. Later he moved to Fort Worth and worked for the Star-Telegram, wrote national magazine articles and helped write a motion picture, "Boomtown."

In 1946 he made his fling at politics, being defeated by Allan Shivers in the race for Lieutenant Governor. Later he was in the public relations business and maintained a Dallas office. He wrote a newspaper column for Texas papers, "I Give You Texas."

Boyce House died Saturday at his home in Fort Worth. News of his death will cause many Texans to start reminiscing. Nothing, probably, would please him more than to have his thousands of friends recall the yarns he loved to spin. Boyce House was for "Texas Proud and Loud."

[From the Fort Worth Star-Telegram, Jan. 1, 1962]

FOOTNOTES TO TEXAS LIFE DIED WITH BOYCE HOUSE

There were those who thought Boyce House had the faculty of total recall—that he remembered everything he had ever heard, seen or read. He didn't and that, more than any-

thing else, is what made him such a prolific writer. That and his love for Texas, its people and the minutiae of its history.

Boyce House—you seldom heard his name uttered except in this conjoint fashion—traveled a great deal over Texas as a newspaper reporter and free lance writer, and he heard and observed a prodigious lot. His mind soaked up Texas lore and Texas talk like a sponge. But because there is a limit even to what a sponge can retain, he committed as much of it as he could to paper. He wrote like he talked—in a bluestreak, putting down thousands upon thousands of words at a single sitting.

It was the off beat, the humorous, that chiefly interested him, especially as it reflected the character of the greats in Texas history and politics or cast a sidelight on the larger issues of past or present. And because these bits interested him, he believed they would interest others. They did, as the sales of his 15 books and his popularity as a speaker before luncheon clubs and other organizations attested. It is probable that he did as much as anyone else, or more, to build the reputation of the Texan as a teller of tall tales. Certainly he did as much as anyone to prove that these tales often are based more on fact than on fiction.

There are few who have the vacuum-sweeping facility for gathering up humorous stories and odd bits of information that Boyce House had, and fewer still who realize they are worth preserving and have the diligence to do it. More's the pity, for at his death last week Boyce House's mind and notebooks were far from empty, and much of this sort of material was still unwritten. This means that a great many footnotes to Texas life and history—illuminating as well as entertaining—died with him.

[From the Fort Worth Star-Telegram, Dec. 31, 1961]

BRAGGINGEST TEXAN, BOYCE HOUSE, DIES

(By Norman Lunger)

Boyce House, known as the braggingest Texan of them all, was found dead in his bed here Saturday.

The 65-year-old author and humorist, whose books of Texas tales have sold hundreds of thousands of copies, apparently died of a heart attack about 6 a.m.

He had picked up his morning newspaper and gone back to bed to read it. A maid became concerned when he failed to rise and discovered him dead shortly before noon.

TALL TALE TELLER

He resided in the Coates Hotel Apartments, 611 West Fourth.

House suffered a heart attack last September and had been in ill health in recent months.

He was active as executive vice president of the Association Consumer Finance Companies of Texas until his heart attack. He had been with the Dallas-based firm 8 years.

Although he had written on various topics, it was House's compilations of tall Texas tales that brought him renown. Most of the stories were familiar ones, but House maintained that people would rather hear stories they've already heard than new ones.

"Texans at heart are really modest," he said, "but when we tell the plain, unadorned, unretouched truth about our incomparable State, we are accused of exaggerating."

BIG BOOST

House started writing in 1935, but it was the publication of "I Give You Texas" in 1943 that gave him his first big boost. The book sold 130,000 copies, many of them to Texans overseas fighting the war.

Then came "Tall Talk From Texas" and "Texas Proud and Loud." Many others followed.

His only books not devoted to Texas were "Cub Reporter," about his newspaper days

on the Memphis Commercial-Appeal, and "Laugh Parade of States," a collection of funny stories from all over the United States.

House never went to college, but he didn't let that handicap him.

Carl Sandburg has described House's writing as "that peculiar blend of valor and swagger which is Texas."

John Gunther has said, "It's impossible to describe Texas without borrowing some of House's stories."

"OLD RIP" STORY

House was born in Piggott, Ark., where his father was a printer and editor of a weekly newspaper. He spent his early boyhood in Texas, grew up in Memphis and returned to Texas in 1920.

He became editor of Eastland's daily newspaper in 1921, and it was there in 1928 that he broke the story of "Old Rip."

Old Rip was a horned frog which had been placed in the cornerstone of the Eastland County courthouse 31 years before. The building was being torn down, and the man who had entombed the toad—then County Clerk Ernest Wood—believed it would be found alive.

House, although dubious, saw the possibilities of the story and set it before his readers. A crowd of thousands gathered to view the opening of the cornerstone—and the horned frog was found alive.

They named it Old Rip and took it on a national tour which even reached the White House. President Coolidge was kept waiting 10 minutes for a chance to see the toad.

MANY TALENTS

Old Rip died of pneumonia after a year of glory. His body now rests in a satin-lined casket in a glass case in the lobby of the Eastland County courthouse.

House also edited newspapers at Ranger, Cisco, Olney and Brady and was on the staff of the Star-Telegram for 5 years in the mid-1930's. For many years he wrote a column for weekly newspapers and conducted a radio program.

In 1942 and 1946 House was a candidate for the Democratic nomination for Lieutenant governor. He failed to make the runoff in 1942 but in 1946 he ran Allan Shivers a close second.

House served as publicity manager for the Frontier Fiesta here in 1937 and for the Southwestern Exposition and Fat Stock Show for several years.

His poem, "Cities," was used in the Casa Manana program of 1936 and was probably the most widely quoted poem of Texas' centennial year.

WROTE POEMS

Most of his poems were in free verse, unrhymed and irregular but rhythmic.

Many of them were written in the reading room of the old Carnegie Library here. He dashed most of them off in longhand in less than half an hour.

House served as technical adviser and writing consultant for the MGM film "Boom Town," based on the Burkburnett oil boom.

He also made numerous appearances as a speaker in Texas and other parts of the United States. He maintained a full schedule of engagements until late last summer.

Surviving are two sisters, including Miss Vivian House of Washington, D.C.

Harveson & Cole will announce funeral arrangements.

[From the Abilene Reporter-News, Dec. 31, 1961]

EASTLAND COUNTY DAYS—BOYCE HOUSE MADE "OLD RIP" FAMOUS

West Texans—particularly those who live in Eastland County—will remember Boyce House, 65-year-old humorist who died Saturday in Fort Worth, as the newspaper editor who turned a horned frog into a world-famous legend of the Lone Star State.

House, an Arkansan by birth, migrated to Ranger in July of 1921 and remained there 10 years. He edited papers at Ranger, Eastland and Cisco during the period.

While editing the Eastland paper in 1928, he learned one day that a live horned frog had been placed in the courthouse cornerstone in 1897, and he sent out a news dispatch.

Then some weeks afterward, the old building was torn down and the cornerstone was opened, revealing Old Rip the horned frog; and it was House who told the world about it.

Travelers approaching Eastland today can still see signs advertising that the Eastland County seat is the home of the famed horned toad. Old Rip's remains—the frog died of pneumonia about a year after he was discovered—rest in a miniature casket on a marble pedestal in the courthouse lobby.

House also reported the famous Santa Claus Bank Robbery at Cisco on December 23, 1927, which left two officers shot fatally and three robbers dead of gunshot, execution and lynching.

The journalist recalled to another newsmen several years ago that he followed the chase of the bandits throughout the county, admitting that "I tried not to get too close."

But he nearly got shot anyway when an eager lawman pulled a riot gun out of the car too fast. The shot peppered the oak leaves of a tree over House's head.

He is credited with some unusual firsts, including promoting the first night football game at Eastland in the 1920's with electric lights strung across the football field—a hazard for punters, but a pleasure to the viewers, it was reported.

The first of his more than a dozen books was "Were You in Ranger?" published in 1935. It told of experiences during the Ranger oil boom days, a boom which had faded before House came to Ranger. He followed that book with another in 1951—"Roaring Ranger, the World's Biggest Boom."

House also was chief drum beater for Cisco's Big Dam Loboot when that team and the Abilene Eagles were rivals.

Long after he left Eastland County to live in Fort Worth, House returned to central west Texas on many occasions as a banquet speaker.

[From the Abilene Reporter-News, Jan. 2, 1962]

BOYCE HOUSE

Boyce House, the Texas funny man, is gone. His colorful career was ended by a fatal heart attack Saturday in the Fort Worth hotel where he lived.

Boyce House went to Eastland in 1921 and pursued a newspaper career there and at Ranger while the oil boom was still alive.

Also, he encountered Old Rip, the horned frog.

House applied his bountiful ability and unmatched humor to the extravagances of the oil boomtowns in which it was his fortune to live, and made Ranger, Eastland, and Old Rip famous from that time on.

He was a storyteller without peer, a talent which made him a favorite character on the banquet circuit, and which produced a number of successful books dealing with the tall tales of Texas.

Boyce House brought good clean humor to lighten the toils of life.

He will be missed, but long remembered.

[From the Dallas Times Herald, Jan. 1, 1962]

BOYCE HOUSE RITES SET WEDNESDAY

FORT WORTH.—They tell tall tales about Texas the world over and Boyce House probably told the tallest tales of them all.

His books and newspaper articles earned him titles such as "Mister Texas" and "Cowtown Columnist" and fame as the world's foremost collector, author, and teller of big lies about Texas.

"He writes with that peculiar blend of valor and swagger which is Texas," Carl Sandburg, poet-author, once said.

Funeral services for House are scheduled at 4 p.m. Wednesday at a Fort Worth funeral home. He died Saturday, apparently of a heart attack. He was 65.

He was home recuperating from a heart attack he suffered September 4. Survivors include two sisters, Miss Vivian House of Washington, D.C., and Mrs. Marian Faulk, of Jacksonville, Fla.

House, a native of Brinkley, Ark., began his career working for the Memphis, Tenn., Commercial Appeal. He moved to Texas in 1921, worked as editor of papers at Ranger and Eastland, then moved to Fort Worth to work for the Star Telegram.

He turned out 15 books. They were collections of tall Texas tales under such titles as "Texas Brags," "Texas Proud and Loud," and "I Give You Texas."

[From the Fort Worth Star-Telegram, Jan. 5, 1962]

THIS IS WEST TEXAS

(By George Dolan)

The day they buried Boyce House was gray and drab. There was a chill in the air and some rain fell.

The funeral oration, though, was warm and affectionate, just the kind of farewell message Boyce House would have liked.

The minister, Rev. Hayden Edwards, described his first meeting with House, a quarter century ago, and their friendship since.

He even recalled that House used to refer to him as a man who had traveled extensively over five counties.

There were Texas yellow roses on the casket and one of the organ numbers was "Texas, Our Texas."

It was an appropriate goodbye motif to the humorist who did so much to publicize the State of his choice. A national magazine once described him as Texas No. 1 booster.

MUTUAL BENEFIT

The relationship between House and his State, though, was mutually beneficial.

If House hadn't come to Texas in 1920 and grown so fond of the place, he might have lived out his years as an obscure country newspaper editor in Arkansas.

And, if it hadn't been for ill health, he may not have come to Texas at all.

As it was, he was rundown physically and decided to spend the winter in a family-style hotel at Cotulla.

That's where he became acquainted with Texas jokes.

The traveling men who stopped there began playing him with tall Texas tales as soon as they learned he was from out of State.

One was the one-ranger, one-mob story. Another was the Admiral Byrd comment when he reached the pole: "Boy, I'll bet it's cold at Amarillo."

House was a serious young man then, though bent on writing a book about the romance of the oilfields.

So, after regaining his health, he went to work on Eastland County newspapers and gathered material for his book, "Were You in Ranger?"

One reviewer treated the book kindly but suggested that the one-ranger, one-mob anecdote, which House had used, be put to pasture.

Some years later, though, House was chatting with three Texans in the lobby of an Austin hotel. He told the old one-ranger, one-mob story and got a big laugh.

ACTIVE MEMORY

He learned that two of the men never had heard it before. The third hadn't heard it in years.

So House, whose memory was as active as his tongue and pen, began jotting down all

the Texas stories he had heard through the years. He turned them into "I Give You Texas," which sold more than 100,000 copies in its first 2 years.

"It didn't take long to write," he explained later, "but I was a long time in gathering the stories—from the winter of 1920 to 1940."

He wrote other books and magazine articles and delivered countless speeches—some, for pay, at dinners; others, for free, at bull sessions with friends.

At his funeral, one friend said: "It's a shame to be saying goodbye to such a bright guy on such a drab day."

"No," argued another friend. "I think it's appropriate. With Boyce gone, Texas can't help but be a drabber place."

[From the Fort Worth Star-Telegram, Jan. 5, 1962]

HOUSE PRAISED IN RESOLUTION

AUSTIN, January 4.—The senate adopted a resolution Thursday reciting that "the great Southwest lost a great son" in the death of Boyce House in Fort Worth, December 30.

The resolution said the longtime newspaperman and author of tall tales about Texas will live in the hearts and minds of men and women as long as the friendly flag of the Lone Star waves over our free land.

Senator Doyle Willis of Fort Worth sponsored the resolution, which was cosigned by Senators Dorsey Hardeman, of San Angelo, and Tom Creighton, of Mineral Wells.

[From the Fort Worth Star-Telegram, Jan. 5, 1962]

BOYCE HOUSE—TOWN PLANS MEMORIAL

EASTLAND, January 4.—The Eastland Chamber of Commerce announced plans Thursday to establish a permanent memorial to Boyce House, Texas author and humorist who died Saturday in Fort Worth.

Chamber Manager Lee Ellis said he had written to Governor Daniel asking for suggestions and aid in the project. The chamber has not decided what form the memorial will take.

House came here in 1921 as editor of the Oil Belt News, a daily newspaper in the oil boomtown. In 1928 he centered nationwide attention on Eastland with the story of "Old Rip," a horned frog that reportedly lived for 31 years in the cornerstone of the old Eastland County courthouse.

The frog was taken on a national tour which included a stop at the White House, then occupied by Calvin Coolidge.

Several of House's books concerned the oil boom days in Eastland County.

[From the Fort Worth Star-Telegram, Jan. 4, 1962]

FORT WORTH LIONS BOOST SHOW, PAY HOUSE TRIBUTE

(By Bob Bain)

WALNUT SPRINGS, January 3.—In the tradition that Boyce House would appreciate—the show must go on—a bus load of Lions Club members traveled south of Fort Worth Wednesday to boom the Southwestern Exposition and Fat Stock Show.

At 4 p.m., however, somewhere between here and Meridian, the boosters' bus was stopped along the highway and silent tribute was paid to House, one of the show's greatest boosters.

House was a former publicity director for the stock show. He died Saturday of a heart attack.

His funeral services were held in Fort Worth at 4 p.m., Wednesday, and that's when the bus paused to allow the boosters to add their tribute to the braggings Texan of 'em all.

"He is here in spirit," said Chester Hollis, one of the boosters. "If he were here, he would say, 'Let the show go on.'"

The boosters boomed out the word on the 1962 stock show at Alvarado, Grandview, Itasca, and Hillsboro Wednesday morning, then dined with the Waco Lions Club.

Corky Makarwich of the River Oaks Lions told the Waco group that the stock show has been going on for 66 years, and invited them to see the 1962 show.

Wednesday afternoon, the booster bus stopped at McGregor, then went on to Gatesville, where it was welcomed by Chamber of Commerce Manager Al Hopkins and Chief of Police Glenn White.

At Clifton, Police Chief George Robinson was on hand, and Makarwich and Hap Hovenkamp told about 200 persons attending a stock auction there about the Fort Worth show.

At Granbury, the bus was met by Bill Pike, police chief; Jack Wortham, chamber of commerce president; Joe Noah, chamber director; and Homer Sargent, chamber manager.

[From the Fort Worth Star-Telegram, Jan. 4, 1962]

FUNERAL SERVICES HELD FOR HUMORIST (By C. L. Richhart)

The soft strains of "Texas, Our Texas" were heard Wednesday as a final tribute to Boyce House, author and humorist who made Texas the theme of his lifework, at funeral services for him.

A blanket of yellow Texas roses covered the casket as Rev. Hayden Edwards, pastor of First Methodist Church in Arlington, commended House for "a good life and the homespun philosophy and good humor" he provided for people around the world.

"As a Texan who had a close association with Boyce House for more than 25 years, I thought so highly of his books on Texas that I carried them with me as an Air Force chaplain on preaching missions in many parts of the world," Rev. Mr. Edwards said.

He said he had considered it a privilege to have helped bring pleasant memories of Texas to men across the seas by presenting them with copies of House's "I Give You Texas."

The minister said he first met House about 25 years ago in Clifton when Lions Clubs members came there to boost the Southwestern Exposition and Fat Stock Show.

"But what I remember most vividly about Boyce House were the thoughtful letters that came to me after those visits, expressing appreciation for our hospitality and his personal thanks for kindnesses," Rev. Mr. Edwards recalled. "This brand of thoughtfulness was so typical of Boyce House wherever he went."

Rev. Mr. Edwards remembered that when he came to Fort Worth it was Boyce House who introduced him at the Fort Worth Lions Club, "and I recall it was the year I served the club as president that Boyce became a candidate for Lieutenant Governor."

He reminded the many friends and long-time associates of House who filled the Harveson & Cole drawing room that "all of you remember and can put to good use through the years to brighten the lives of others, the writings and many fine things Boyce House accomplished in his lifetime."

Rev. Mr. Edwards read the 23d Psalm as the text for the scriptural part of the services, and Mrs. James W. Davis sang "The Lord's Prayer." Mrs. Walter L. Zichner, organist, played the State song to conclude the services.

Floral displays were centered with a large horseshoe, a symbol of the tireless efforts of House both as writer and speaker expended in behalf of the stock show and livestock interests throughout west Texas and the Southwest.

Among those who came to pay him last respects were a number of long-time friends, newspapermen, and others, from west Texas.

Active pallbearers were Vic LeMay, Jack Gordon, Tony Slaughter, Les Strother, Paul Monroe, and Amon Carter, Jr.

The services were concluded at Greenwood.

ANNUAL REPORT BY THE FEDERAL BUREAU OF INVESTIGATION

Mr. DODD. Mr. President, the annual report by the Federal Bureau of Investigation is always a matter of real significance to those whose duties are concerned with law enforcement and the internal security of this Nation.

Last year's annual report was a sobering one in that it depicted the continued growth of crime and subversion, yet reassuring in that it painted the true picture of an FBI that is moving capably and efficiently to preserve both our laws and our security.

The year 1961 was another of achievement by this splendid agency.

I wish to pay tribute to its Director, J. Edgar Hoover, and to the many dedicated Federal agents who labor ceaselessly for our protection.

I ask unanimous consent to have printed at this point in the RECORD a résumé of the annual report of the Federal Bureau of Investigation to the Attorney General of the United States.

There being no objection, the résumé of the report was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE, FEDERAL BUREAU OF INVESTIGATION, Washington, D.C.

In a year-end report to Attorney General Robert F. Kennedy, Director J. Edgar Hoover has announced that significant increases were recorded in several major categories of FBI accomplishments during 1961.

Mr. Hoover disclosed that final tabulations for the year will show more than 12,400 convictions in FBI cases compared with 12,021 in 1960; the apprehension of nearly 10,700 FBI fugitives compared with 9,739 last year; and fines, savings and recoveries totaling approximately \$150 million—an amount far exceeding the funds spent to operate the FBI during 1961.

Calling attention to major crime problems confronting the FBI, Mr. Hoover stated that a record total of more than 900 violations of the Federal bank robbery and incidental crimes statute have been reported to the FBI this year. Another alltime high was established with the location of nearly 19,000 stolen cars in investigations under the interstate transportation of stolen motor vehicles statute.

The FBI Director also stressed the critical menace to society of sex criminals, pointing to the kidnap-murders of the Carroll Vernon Jackson family by Melvin Davis Rees, Jr. Rees, a violent sex offender, was convicted of the sadistic crimes against the Jackson family at trials in both State and Federal courts this year.

Among the other kidnapers successfully prosecuted in State courts during 1961 following FBI investigations were:

Joseph Corbett, Jr., who was convicted of the murder of intended kidnap victim Adolph Coors III near Denver, Colo.

Frank Marrone and four criminal associates who were responsible for the abduction of Anthony Alessio at San Diego, Calif. In addition to apprehending Mr. Alessio's kidnapers, FBI agents recovered more than \$182,000 of the \$200,000 ransom which had been paid for his release.

Other FBI cases singled out for special mention were the attempted hijacking of a

jet airliner at El Paso, Tex., last August by a 38-year-old parolee and his teenage son, and the investigation of attempts to control certain areas of professional boxing by an underworld syndicate. In the latter case, the notorious "Frankie" Carbo, "Blinky" Palermo, Joseph Sica, Louis Tom Dragna, and Truman Gibson, Jr., were convicted on Federal extortion and antiracketeering charges.

Commenting on the series of anticrime bills passed by the 87th Congress, Mr. Hoover stated: "These laws provide us valuable new tools for combating the professional elements of the underworld whose operations extend across State lines. Effective use is already being made of them in our intensive campaign against organized crime and racketeering."

These anticrime bills include laws designed to combat interstate aspects of illegal gambling and racketeering enterprises, as well as to curtail interstate travel of hoodlum elements. The FBI Director was particularly enthusiastic in heralding the extension of the Fugitive Felon Act last October.

"The Fugitive Felon Act is one of law enforcement's most effective weapons for countering the operations of fast-moving, modern-day hoodlums," Mr. Hoover said, "During 1961, FBI investigations under this statute resulted in the apprehension of nearly 1,400 fugitives who were being sought at the request of State and local authorities from whose jurisdictions they had fled. Now that the scope of the Fugitive Felon Act has been expanded to cover interstate flight in connection with any felony, more requests for these investigations are being received, and we anticipate greater accomplishments than ever before."

As in previous years, the FBI Director expressed appreciation for the cooperation and support which his Bureau receives from confidential informants and other alert citizens. "Information furnished our agents by confidential informants has resulted in more than 4,000 arrests and in the recovery of some \$4 million in stolen and contraband valuables this year," he said.

The statistics include arrests and recoveries in FBI cases, as well as arrests and recoveries by other law-enforcement agencies resulting from facts provided by FBI informants and passed along to the authorities concerned. In addition to this data furnished by its confidential informants, the FBI also disseminated well over 100,000 other items of criminal intelligence information to local, State, and Federal investigative agencies during the past year.

Warning that the United States remains the primary target for Soviet-bloc intelligence operations, Mr. Hoover stated that during the past year two men were convicted on espionage charges—Dr. Robert Sobel, now facing imprisonment for life, and Irvin Scarbeck, who has been sentenced to a term of 30 years. A third man, arrested for Soviet intelligence activities, was permitted to leave the country in lieu of deportation. In addition, following FBI investigation, the departure or exclusion of four official representatives of Communist-bloc countries was effected because of activity beyond the scope of their recognized duties.

The FBI Director described the Communist Party, U.S.A., as "an inseparable arm of the international conspiracy against God and freedom which is directed from Moscow." The Communists in this country are completely subservient to the dictates of their Soviet masters, he said.

"Particularly significant in this regard were the actions of the delegation of party officials from this country who attended the 22d Congress of the Soviet Communist Party in Moscow this fall. Not only did the American delegates pledge full support to Nikita Khrushchev in the disagreement between the Russians and their Albanian and Chinese

comrades, but three of them appeared on a Moscow television program to give the Soviet people a distorted impression of conditions in the United States."

On December 1, 1961, an indictment was returned against the Communist Party, U.S.A., as an organization, for failure to register with the Attorney General under provisions of the Internal Security Act of 1950. The indictment contains 12 counts subjecting the party to possible fines totaling \$120,000. The trial has tentatively been set for February 1, 1962.

The party's leaders, as well as its individual members, also are subject to prosecution under the Internal Security Act of 1950 for failure to register with the Attorney General.

In his yearend report, Mr. Hoover also noted that 1961 witnessed a heavy volume of requests for the laboratory, identification, and training services which the FBI makes available to other law enforcement agencies free of charge.

The FBI Laboratory, which receives specimens of evidence from authorities in all 50 States, conducted more than 230,000 examinations during the past year. "Many of these examinations assisted local police in identifying wrongdoers. Others helped to establish the innocence of falsely accused persons," he said.

The FBI's Identification Division, which serves as a national repository for fingerprint identifying data, received an average of nearly 23,000 fingerprint cards each working day throughout 1961. As the year ended, its files contained 161,800,000 sets of fingerprints representing an estimated 76,400,000 persons.

In addition, during 1961, the FBI Disaster Squad, a team of experts from the Identification Division, was sent to the scenes of air crashes in Colorado, Illinois, Virginia, and Belgium, as well as to the scene of a fire and explosion in West Virginia, to assist in identifying the bodies of victims.

At the request of law enforcement agencies in all parts of the Nation, the FBI rendered assistance in connection with more than 3,400 local and regional police training schools. Additionally, two sessions of the FBI National Academy were held—with 150 officers from 42 States, the District of Columbia, Canada, Puerto Rico, and the Republic of the Philippines in attendance. The graduation of these 150 men brought to 4,093 the total number of officers who have completed this 12-week course of specialized instruction.

Commenting upon the assistance which his Bureau receives from other investigative agencies, Mr. Hoover stated, "Each year the bonds of mutual cooperation grow stronger throughout the entire law enforcement profession. Working together, we are reaching higher peaks of efficiency and protection of individual rights than ever before."

MICHEL CIEPLINSKI, DEPUTY ASSISTANT SECRETARY FOR SECURITY AND CONSULAR AFFAIRS—AND GEN. THADDEUS KOSCIUSKO

Mr. DODD. Mr. President, America's strength has always derived from its diversity. And I believe that this statement is more than ever true in the mortal struggle with the forces of world communism.

We are fortunate in having in our midst large communities of immigrant Americans of Polish, Hungarian, Ukrainian, Baltic, and even Russian origin. They know the meaning of communism better than most men, not merely because their friends and their relatives are today suffering under its yoke, but also because many of them have ex-

perienced Communist tyranny and have had a long experience in fighting it.

I believe that we have thus far not made adequate use of this tremendous reservoir of dedication, understanding, and courage. Because of this, Mr. President, I was delighted when I learned last year that President Kennedy had selected a prominent Polish-American, Mr. Michel Cieplinski, for the important position of Deputy Assistant Secretary for Security and Consular Affairs.

I consider it particularly appropriate to say a few words about Mich Cieplinski today, because today we observe the birthday of another great Polish patriot, one of the authentic heroes of the American Revolution, Gen. Thaddeus Kosciuszko. There is, in my opinion, a direct line from Kosciuszko to Cieplinski.

Kosciuszko came to America to fight for freedom because from the tragic struggle of the Polish people against Russian imperialism he was intimately familiar with the meaning of slavery and the meaning of freedom. Kosciuszko understood, even at that early date in history, that the freedom of the Polish people was intimately bound up with the fate of America.

Since the days of Kosciuszko, many millions of his compatriots and of other central European peoples have come to America in the quest for freedom. They have brought with them to this country the same hatred of tyranny and the same love of freedom that animated Kosciuszko.

But, in our attitude toward our immigrant Americans, we sometimes forget the services of Kosciuszko and the debt we owe to him.

I know for example, that some of my very good friends had misgivings about the appointment of Mich Cieplinski to so important a post because he was not a native born American. I believe that if they had known as much as I do about the background of Mich Cieplinski and about his many positive contributions to the cause of freedom, their fears would have been allayed.

Mich Cieplinski has been a lifelong foe of totalitarian tyranny both Nazi and Communist. Before World War II, he served as manager of the largest group of Polish newspapers. When Poland fell he came to New York where he was immediately offered the editorship of the largest daily Polish newspaper in this country, the Polish Morning World.

Mich Cieplinski has the kind of ability and integrity that commanded the immediate recognition of all those who met him. He was elected president of the association of all foreign language newspapers published in the United States. Simultaneously he was selected commissioner of intergroup relations for the city of New York.

In 1948 President Truman personally selected Mich Cieplinski as executive director of the nationalities division of the Democratic National Committee, a position which he filled with great distinction until his appointment to the Department of State in early 1961.

But despite Mich Cieplinski's exceptional record of public service, there were some critical voices at the time of his

appointment; and there were many more who, though they said nothing, had misgivings. By his performance in office, Mich Cieplinski, who is now serving as Acting Administrator of the Bureau of Security and Consular Affairs, has dispelled the misgivings and satisfied the critics. In doing so, he has performed a service that will redound to the benefit of all Americans of foreign origin.

It is my own fervent hope that the precedent and example of Mich Cieplinski will clear the way for the use on a wider scale of Americans of immigrant origin in positions of responsibility in the Government and in the conduct of the cold war.

THE COLD WAR—ADDRESS BY DR. CHARLES MALIK

Mr. DODD. Mr. President, some of the greatest statements of the past decade concerning the cold war have been made by Dr. Charles Malik, the former Ambassador from Lebanon, former President of the General Assembly of the United Nations, and presently a professor at the American University, Washington, D.C.

On October 18, 1961, Dr. Malik made another magnificent statement in his great tradition at the John Carroll Society dinner in Washington. I reread this address a few days ago and found in it so much that goes to the heart of the life-or-death issues which confront the Nation that I believe every one of us can profitably read and study it.

I therefore ask unanimous consent that this address be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SOME URGENT TASKS (By Dr. Charles Malik)

These are great days in which we live. History is being decided at its deepest level. When such is the case, two sins are unpardonable: to fail to raise the most decisive issues, and having raised them, to fail to do something about them. Superficiality and paralysis, mediocrity and inaction—these are the two failings which history will never forgive. But for that obscure moment in history when a certain lowly maiden in Palestine was secretly told by the Angel of God what God was holding in store for her, and but for the decisive events that flowed from that incredible disclosure, I doubt whether any moments in history compare in decisiveness with the moments amidst which we are privileged to live.

Two conditions must be fulfilled for the real appreciation of history. First, we must live history. Unless we are profoundly moved by what is deciding history today, we cannot appreciate the historic moment. Those who watch history from the outside as though what is taking place did not concern them, as though not only their very existence, but what is dearest to them in that existence, were not therein involved, are a veritable deadweight on history. They are watching and waiting to see what will happen; after it happens they will adjust; they do not want to take part in this "it" that happens; they never burn their bridges; and because they are thus outside history, because they are "neither hot nor cold," history takes no notice of them. Only the moved and responsible, only he who takes a stand on fundamental issues, no matter how delicate the

issues and how dangerous the stand, has a place in history today.

HISTORICAL IMPASSE

But, second, while living history, one must also have his roots outside history. History is not self-sufficient. It is this fallacy of historical self-sufficiency that has more than anything else brought about the present impasse in history. If only people recognized their transcendental reference in history we would not be where we are today. To confine oneself only to the forces of history is in the end to condemn oneself to chance and accident and the balancing of brute force. He who sees and knows only history can never understand history, and while, because he is in history, he will certainly be a factor of history, his will not be the last word. Just, then, as it is most essential to live and act in history, so the axis of this living and acting must lie outside history. To save oneself from total meaninglessness, from that blind groping in the dark in which the existentialists, for all their zeal and purity, finally land, one's living roots must extend to God—to God, not only as the judge of history, but as the Creator of all that there is, and therefore as the providence outside whose wisdom and care and permission nothing of what is can be.

I speak from the perspective of a participation that has been and still is quite intense and personal; and I speak from the perspective of Christian faith. These are at once my credentials and my profound limitations.

With these two limiting perspectives I propose to examine some urgent tasks arising from the cold war. But first a few words about the nature and fact of this war.

RED EXPANSION

The cold war is the fundamental tension introduced into the world by the Marxist-Leninist challenge. Ever since the Manifesto of 1848 a radical revolutionary spirit has been let loose in the world. This Marxist-Leninist spirit has so far met with phenomenal success, partly owing to the great genius of those in whom it has incarnated itself, partly owing to the stupidity and complacency of the rest of the world. It follows that nothing about its development and success was inevitable. But here we are: the Marxist-Leninist-Communist Party rules today Russia, China, and Eastern Europe; it has succeeded in neutralizing, that is to say, in frightening and partially winning over, the governments and peoples of vast regions in Asia, Africa, and Latin America; and it has significantly penetrated, in all sorts of subtle ways, Western Europe and North America, so that Western policy, no matter how much Western governments vaunt their independence, is often some kind of a function of the will of Moscow. Non-Communist politicians have undertaken pilgrimages to Moscow just before national elections, with distinctly advantageous political results. Nor can it be maintained that at certain critical points in recent years the crude or subtle, direct or indirect, interference of Moscow in the internal affairs even of large non-Communist states did not determine events in those states. And the essential point to remember is that this extraordinary worldwide influence of Marxism-Leninism started virtually from zero in our lifetime.

The military-nuclear might backing the Marxist-Leninist-Communist Party in the cold war is vividly present in the minds of all of us. So far as effective deterrence is concerned, we are told that ours is the era of nuclear stalemate or parity. It appears that either side can obliterate the other regardless of who strikes first.

CIVILIZATION IMPERILED

What is at stake in this war is the traditional view of man, society, history, truth,

and God which the Mediterranean-European-Western World has painstakingly developed over 4,000 years of history. Make a list of the 20 most fundamental convictions of this world—from the ultimacy of the individual human person, to the objectivity and independence of truth, to the existence and self-revelation of God—and you will find that Marxism-Leninism is a militant and radical denial of all these 20 convictions. It is as though a demonic spirit has been suddenly unleashed with the specific, conscious aim of destroying every value, truth, and being that has been tested and handed down. On every page of every fundamental doctrine of Marxism-Leninism is proudly declared the open intention of overthrowing every existing government, regime, system, outlook, philosophy, and religion. But to the discerning mind, nothing is more certain and clear than that it is Jesus Christ, and all that He is and means and stands for, that they, first and foremost and above everything else, aim absolutely at destroying and obliterating from the face of the earth. What is ultimately at stake is Christ Himself.

All this talk about economic justice and social security and raising the standard of living of the people, while at times perhaps genuine, is nevertheless nothing when it comes to man, his basic rights and the freedom of his spirit. When the aim is to destroy these things, what is the good of all the economic and material things in the world? "For what shall it profit a man, if he shall gain the whole world, and lose his soul?" (Mark 8:36 and Matthew 16:26.) Moreover, the lure of the economic and material is used for the most part as a bait to enlist more and more recruits in the ranks of the revolution. The deprived masses, not knowing their own ultimate good, easily fall for this lure. In communism, the economic and material serve the political, and the political is for the sake of the destruction of the 20 fundamental propositions of the Western World.

COEXISTENCE IMPOSSIBLE

There remains the matter of coexistence and the matter of change. Let us coexist peacefully, we are enjoined, and with time communism will mellow and will change. These are fallacies unworthy of the active mind. Coexistence is impossible with the radical spirit of denial of Marxism-Leninism. The Communists themselves, while they certainly use the term to fool the simple and gullible, always explicitly make clear that peaceful coexistence is, in their own words, only a more intensive form of the class struggle. It follows that coexistence is possible only when communism gives up the class struggle altogether; namely, only when it overcomes itself and denies its own spirit of denial.

As to change, an individual Communist here and there certainly may change; he certainly may be converted, say, to Christianity or to some other passion; but the basic dogmas of the Marxist-Leninist party, and therewith the fundamental character of this party, will never change. These basic dogmas stamping communism with its fundamental character are six: (1) Militant atheism; (2) dialectical materialism; (3) thoroughgoing totalitarianism; (4) radical collectivism; (5) proletarian internationalism; and (6) the messianic impulse to dominate the whole world. The Marxist-Leninist-Communist Party will never give up these six tenets. It will never worship God; it will never repudiate the class struggle; it will never allow political freedom; it will never view the individual human person as an end in himself; it will never cease inciting the proletariat all over the world; and it will never settle for less than the whole world. This is what Mr. Khrushchev meant when he said: "We have never abandoned and will never abandon our political

line which Lenin formulated for us; we have never abandoned and will never abandon our political program. This is why we tell those gentlemen who wait for a change in the political program of the Soviet Union: 'Wait till the crayfish whistles.'" (Pravda, Nov. 26, 1955.)

IMMEDIATE NEEDS

The slightest responsible meditation on the nature and fact of this sort of thing that the world is up against points up some exceedingly urgent tasks that must be immediately faced and prosecuted.

Nothing is more urgent than to understand fully the nature of communism, and, in particular, to make absolutely sure that one has grasped the five irreducible facts: (a) that you are here dealing with the most radical spiritual revolutionary thrust; (b) that the ultimate aim of this revolution to which every other tactic is ordered is the destruction of the deepest traditional values of the West; (c) that therefore it is not ordinary international relations that govern communism's intercourse with the rest of the world, but relations of a totally different order; (d) that coexistence with such a thrust is absolutely impossible without this thrust first completely calling off the revolution; and (e) that, because Marxism-Leninism is at bottom a fundamental spiritual phenomenon of rebellion and negation, its essence cannot change, no matter what economic and social changes may take place in the Communist realm. I am not sure some policymakers of the non-Communist world fully understand these five facts.

Concerning the method of warfare of international communism, it is patent you are not dealing here with hostilities and aggression in the classical style, namely, by armies crossing national frontiers and attacking from without, but with intimidation, blackmail, infiltration, subversion, propaganda, inciting civil strife, character assassination, and with every conceivable trick of the new warfare of indirect aggression, whereby communism creepingly spreads in itself without "endangering international peace and security." Therefore nothing is more urgent than to understand this war of indirect aggression, and develop effective techniques, not only to counteract this war on one's own soil, but to carry it over to the soil of the enemy. I am not sure some policymakers, who still talk and think in terms of war in the classical sense, have grasped the full significance of the modern war of indirect aggression. If they did, they would not have kept on congratulating themselves because we are still in a state of peace, when as a matter of fact we are and have been for years absolutely at war, and a war indeed that the free world has been consistently losing.

BE PREPARED FOR WORST

Nuclear war is depicted as something absolutely terrible, as endangering the human race, as rendering the distinction between victor and vanquished altogether untenable, and therefore as validating once and for all the dictum, "there is no alternative to peace." I tend to believe all this, or at least to hold that everything must be done to avoid nuclear war. But what if, despite every conceivable effort, war did break out? Should one be caught unprepared for that? The distinct and disturbing impression that one gathers is that from the fact that nuclear war is terrible and everything must be done to avoid it, some people conclude that it is not going to take place and therefore one should not be prepared for it. This is an absolute non sequitur. Nothing therefore is more urgent than that, while doing everything to avoid, and indeed to ban, nuclear war, or any kind of war, one should be prepared absolutely for the worst.

Another non sequitur is to hold that under the threat of nuclear holocaust the West

has no choice but to yield and withdraw. When one expresses the hope that the West will stand firm at this or that crucial point, say, in Berlin or Laos or the Middle East, one is often confronted with the rejoinder—"then you are advocating nuclear war and the destruction of the human race?" Of course nothing is farther from one's mind than that. But nothing also is more pleasing to communism than to have the West constantly retreat under the threat of war; namely, than to use the threat of war as an instrument in the successful prosecution of the proletarian world revolution. Nothing therefore is more urgent than so to deploy the forces of freedom—in the diplomatic, military, economic, political, psychological, and moral fields—as to make, under the umbrella of the nuclear stalemate, the threat of nuclear war at least as frightening to communism as to the Western World.

THIRTY WAYS TO WIN

Nuclear war must be avoided. The conclusion I draw from this is not that freedom is therefore doomed, but that freedom must win under conditions of peace. Nothing therefore is more urgent than the development of an effective strategy to defeat communism in peace, namely, without resorting to nuclear war. There are 30 ways that can be used toward that end, if only the free world awakens to its latent possibilities.

Some people appear to feel and argue that the only alternative open to the West is either to go dead or to go Red. Regardless of how sincere these people might be—and some of them are very sincere—it is obvious that this feeling serves the cause of communism. President Kennedy refuted this false alternative the other day when he declared in Chapel Hill that "we shall be neither dead nor Red, but alive and free." This is a wonderful assurance for those who love and believe in freedom. Nothing therefore is more urgent than to keep on exposing all false alternatives, and to demonstrate, in thought and in action, that the only real choice open to the free and to the enslaved alike, is man in the fullness of his freedoms and his rights.

The Marxist-Leninist party firmly believes that it is destined to do away with every existing order, regime, system and government. It bases this belief on what it considers first principles and it acts on it day and night. This is the meaning of the universal proletarian revolution. What follows for the Western World—partly out of sheer self-defense, partly owing to the values at stake—is that since every war has an objective, and since the cold war is a war, the only worthy objective of this war is elimination of the Marxist-Leninist Communist Party as a politically ruling party everywhere in the world, regardless of whether it takes to accomplish this objective a year or a decade or a generation or a century. Nothing therefore is more urgent than to galvanize the will of the West according to this objective.

GREAT ILLUSION

When some Western thinkers and leaders urge realism and accommodation, when they poke fun on the slogan of "total victory," when they manifest obvious resistance to the thought that the cold war must be fought to a successful conclusion, one is not sure that they do not thereby mean that the West must keep on losing and the realm of freedom must keep on contracting. What then are their proposals for turning the tide? I am certain they do not want to see the West overwhelmed, but some of them, I feel, do not at heart want to see communism overwhelmed either, even if you presented them with the possibility of overwhelming it. They appear to be unwilling to contemplate the possibility of erasing it from the face of the earth. They seem badly to miss it then. Some people—worthy products of

Western thought and life—feel emotionally and existentially happier and more secure in a world in which Marxism-Leninism is powerful and entrenched. What is it in the spirit of Marx that so strangely captivates them? Because they are very fine people, and because they are very influential, nothing is more urgent than to demonstrate to them, on the deepest possible plane, through reason, suffering, and love, that their existential security is a very great illusion.

If one is skilled in penetrating to the hidden meaning of fundamental Communist declarations and statements—and the meaning sometimes is not very hidden—one readily perceives that they are appealing to the masses over the heads of their governments. Should the West not develop a similar strategy of separating the Communist rulers from the peoples whom they dominate? Should it not put aside all timidity and false decorum in order to assure the peoples under Communist rule that it is their friend, that it has no quarrel with them whatsoever, that it has the highest respect for their cultures and achievements, that it is only the ruling Marxist-Leninist Communist Party with whom it cannot do business, and that therefore there is a live and worthy alternative to Communist rule for them? So far the West has been struck by a certain strange nemesis whereby it appears to be existentially incapable of addressing the masses under Communist rule direct. It fights shy of offending their Communist masters. Again, out of sheer self-defense, and also because of the ultimate values at stake, nothing would seem to be more urgent than to make the radical distinction, effectively and politically, between the great peoples and cultures of China, Russia and Eastern Europe, and the alien Marxism-Leninism which is now trying by force to transform these cultures and peoples in its own image.

DIVIDED WEST

What has helped more than anything else to bring about the astounding phenomenon of the Western retreat and the Communist advance is Western nationalism and Western disunity. This is what the Communists in their jargon call "contradictions in the Western camp," and they openly seek to exacerbate and exploit them to the utmost. Despite the presence of strong Communist parties in Italy and France, Western Europe has learned since the Second World War that it must either unite or perish. The decision of the United Kingdom last week to enter the Common Market is one of the most far-reaching decisions of this century. European nationalism is gradually softening into a sense of common European destiny. But between Europe and the United States, nationalism still plays a debilitating role so far as the common struggle against communism is concerned. The crying need is for a much deeper political and economic identification between Europe and America than is envisaged and provided for in NATO. During the 12½ years since NATO was born the world situation has radically changed with the emergence of Communist China, with the loss of the atomic and nuclear monopoly by the West, with the considerable rise in Soviet prestige and relative power, and with the development both of neutralism and anti-Westernism. Events therefore have overtaken and outrun the NATO concept. America cannot stay aloof from the common fate of Europe. Nothing therefore is more urgent than for the United States, as a government, as a people and as a culture, to become persuaded that, in the face of the total Communist onslaught, as well as of the other anti-Western forces astrir throughout the world, the old forms of national sovereignty and independence must develop into new forms and new concepts, because what is threatened, attacked and undermined today is not just the American nation or the

British nation or the French nation, but the whole of Western civilization with all its cumulative tradition for thousands of years. This is not a war between nation-states: this is a war between whole civilizations. The extent to which this persuasion shall super-vene measures the adequacy of American life and thought as a whole to the ruthless demands of this historic movement. This is how whole cultures prove adequate or inadequate to the requirements of history, and this is how they either survive or perish. I assert also that the Mediterranean is an offshoot of the Atlantic, and its complex civilization cannot be sundered from the civilization of the West.

HELPS TO BE ANTIWEST

In the vast world that now calls itself neutral and nonaligned a strange phenomenon has developed. You can exist and prosper in certain parts of this world only if you attack the West and at least remain silent about life and conditions in the Communist realm. It is very dangerous to develop the reputation that you are what is called pro-Western, but not only do you realize handsome political and other dividends from being known as pro-Communist, or at least as neutralist, but the West itself will treat you as a leper if you believe in its fundamental values. You become then a source of embarrassment to it. There is no sanction against being "anti-Western," but God help you if you are "pro-Western," which only means that you wish to move hand in hand with the West in the great world struggle. The West itself encourages you to be at least "neutral" to its fate, and preferably even "anti-Western," before it will have anything to do with you. It is as though the West is in a state of spiritual rout in which it is ashamed of itself. It is as though the West can only deal today with hypocrites and split personalities. When, if you believe in and practice Western values you are penalized, and if you believe in and practice Communist-totalitarian values you are rewarded, and indeed you are penalized and rewarded not only by international communism, but by the West itself—can there be a more shameful spiritual rout than that? This whole phenomenon raises some of the deepest issues facing Western existence today. Can a civilization last if it studiously abdicates its universal character? Can a civilization last if it is profoundly ashamed of its deepest values? And pray tell me, how is a value deep and worthy of faith if you do not believe in its validity for the whole world? Nothing therefore is more urgent than for the West to cease to be ashamed either of itself or of those who wish to be called by its name.

If one believes and knows that all government finally derives from man and answers to him and not man from government, then one cannot be indifferent to a doctrine and way of life that makes government everything and man virtually nothing.

BASIS OF LAW

If one believes and knows that law is not just the will of the ruler or stronger, but the objective expression of the common good, then one cannot be indifferent to a doctrine and way of life that bases law only on the interest of the powers that be.

If one believes and knows that there is a whole set of human rights and fundamental freedoms which flow integrally from man's inherent dignity as a being endowed with reason and conscience, then one cannot be indifferent to a doctrine and way of life that makes man's enjoyment of his rights and freedoms dependent solely upon the pleasure of the State.

If one believes and knows that the State has no right to tamper with the family in the enjoyment of its rights, nor with the university in its free and independent search for and exposition and transmission of the

truth, nor with the church in her freedom to preach the gospel and reconcile man to God, then one cannot be indifferent to a doctrine and way of life that makes of the family, the university, and the church only so many departments of the state.

If one believes and knows that pluralism is the true international order, then one cannot be indifferent to a doctrine and way of life in which diverse cultures and peoples have no right to be themselves under an order of juridical equality and mutual respect.

If one believes and knows that past ages had their own beauty, truth and being, that mankind struggled in them just as nobly and just as fruitfully as it does today, and that what was seen and achieved in some of them was vastly superior to anything seen and achieved today, so that in a sense we are judged by them rather than they by us, and so that the proper attitude of the present to the past is to appreciate it in itself, in humility and love, then one cannot be indifferent to a doctrine and way of life that makes a clean break with the past, that never appreciates it in itself, that views it only as a stage, a preparation, for the present, and that therefore recognizes as true and worthy of respect only those elements in it that the present in its magnanimity has allowed and accepted, no matter how lean and miserable and sordid this present might otherwise be.

MAN'S HIGHEST GLORY

If one believes and knows that reason in man is not a sort of joke played upon him by the fortuitous forces of the universe, but that it is man's highest glory, more dependable when unperturbed and thoroughly disciplined than everything else, then one cannot be indifferent to a doctrine and way of life that subordinates reason to the dark and elemental and arbitrary.

If one believes and knows that there is simple trust, simple confidence, simple transparency between man and man, then one cannot be indifferent to a doctrine and way of life that bases itself on mistrust, suspicion, contradiction, and the war of all against all.

If one believes and knows that the individual human person, with his inner joy and freedom, and with his infinite spiritual possibilities, is the most precious thing in the world, so much so that when we think of God we cannot think of anything higher than to speak of Him as a person, then one cannot be indifferent to a doctrine and way of life that subordinates the human person to the party or the collective or the state.

If one believes in the primacy of the spiritual and knows it in his own life, then one cannot be indifferent to a doctrine and way of life that subordinates everything to matter and desire and economics.

If one believes in God and knows His power in his own life, then one cannot be indifferent to a doctrine and way of life that not only denies God, but militantly seeks to destroy every faith in Him.

If one believes in Christ and knows His grace and forgiveness in his own life, then one cannot be indifferent to a doctrine and way of life whose supreme passion is to efface the name and memory and grace of Christ from the thought and life of men.

RUSSIA'S SPIRITUAL TRADITION

If one knows the wonderful spiritual tradition of Russia—her devotion, her piety, her humility, her liturgy, her icons, her saints, her dedication to the Virgin—if one knows the place Christ occupies in her tremendous literature, if one only knows Dostoyevsky, then one cannot be indifferent to a doctrine and way of life that exults in ridiculing and trampling all this tradition under foot.

My fear is that these things are not sufficiently believed and known in the West. My fear is that under the joint influence of commercialism, materialism, relativism, sub-

jectivism, liberalism, idealism and secularism, the process of decay is already pretty advanced in the West. The ultimate crisis therefore is entirely spiritual: it is one of knowledge and faith. For it is not difficult to show what with respect to many of these things there is now a blur as between communism and the West. Therefore nothing is more urgent than to pray and work very hard, to the end that true government, natural law, human rights, fundamental freedoms, the dignity of the family, and university and the church, and just international order, the fullness of history, right reason, simple trust, the human person, the primacy of the spirit, the real God, the authentic Christ, and the wonderful Russian spiritual heritage, be known, believed in and affirmed. If that happens, then the West will be truly set on fire, and then, subject always to the chastening and will of God, I am not afraid of the issue of the cold war.

THANKSGIVING MESSAGE BY RABBI ABRAHAM J. FELDMAN

Mr. DODD. Mr. President, for the past 23 years Rabbi Abraham J. Feldman, an outstanding citizen of Hartford and a prominent religious leader in Connecticut, has given an annual Thanksgiving speech before the Hartford Rotary Club. His Thanksgiving messages have thus become a tradition in the State; they have, each year, contained some of the very best there is in American thought, grounded in a deep and fervent patriotism, and evoking the true meaning of our democracy.

Dr. Feldman's Thanksgiving message for 1961, again delivered before the Rotary Club of Hartford, contains such timely advice, such a strong and persuasive appeal to all that is best in us, such convincing reference to our great history in these times of danger, that it deserves to be widely read, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

NOBLE SOULS COMMENDED AS THANKSGIVING GUESTS—HISTORY HAS TREASURE TO TAP, RABBI ASSERTS

(By Rabbi Abraham J. Feldman, D.D.)

A little less than a month ago, the Macmillan Company published a little book entitled "Common Sense About Religion" written by an Anglican clergyman whose pen name is John Hadham. I found it to be an exceedingly stimulating book.

At the end of the book he narrates what he calls "The Tale of Father Peter" (I have permission to share this story with you).

"Once upon a time there was an extremely learned and pious monk named Father Peter. He was the special pride of a small and obscure monastery in Ruritania * * *. He had flogged all the scientific and humanistic enemies of his Holy Religion, and * * * he had become so holy that, on the rare occasions when he was in difficulties, he used to receive private messages from the Almighty providing him with any arguments he had not yet thought of.

"One day he was sitting in the refectory at lunchtime, shoveling peas into his mouth. Suddenly his eyes grew glazed; his mouth fell open, and he became silent. His brethren recognized the signs that Father Peter had received a special message from the Almighty, and they wondered what it might be. As the messages had become part of the regular life of the monastery, an appropriate technique had been evolved to honor them. So, after lunch, all the brothers ad-

joined to the chapel to sing a Te Deum in thanks for the message which Father Peter had received.

"But Father Peter seemed strangely unable or unwilling to deliver his message; the brothers sang the Te Deum again, and yet a third time, while Father Peter maintained an obviously embarrassed silence. But after the third repetition he got slowly to his feet and said: My brothers, I know that some of the younger among you have murmured the blessed word auto-suggestion at the messages with which the Almighty has previously chosen to honor this unworthy servant.

"But none of you will be able to say 'auto-suggestion' to what I distinctly heard the Lord say to me at lunch. Nothing could have been further from my thoughts or my imagination: for what the Lord said to me was: 'Father Peter, why don't you pay more attention to those lovely peas I made for you? Do you think I enjoy never being anything to you but a subject for argument?'"

My good friends—I read this story at the time when I began to think of what I might say to you, as for the 23d year, by your gracious invitation, I would speak with you about the approaching day of our national Thanksgiving. It occurred to me then that the message which came to Father Peter, in the parable I just read to you, gives us something of the essence of what Thanksgiving is all about.

What the Lord said to Father Peter was, "Why don't you pay more attention to those lovely peas I made for you?" God ought not to be only a subject for argument and definition, an abstraction far, far removed from all tangible sensory living, a being for the theologians and metaphysicians to speculate about. To us believers, God is the creator and giver of all we are and have. It behooves us, then, to make humble and grateful acknowledgment to Him for the blessings, yes, the miracles, we enjoy daily.

REALIZING BLESSINGS

The message to Father Peter—as I understand it—said in effect, that we ought not take earthly things for granted, that we should cultivate an ongoing realization of the significance, the importance, the abundance of the gifts which are placed in our cradles as our birthright, an appreciative realization of the kinds and qualities of these gifts, a challenging realization of what life would be without them.

And when such realization becomes ours, then, seeing that we are rational and sensitive creatures, there would well up from the very depths of our hearts and souls the emotion of gratitude which may even come to utterance as Thanksgiving. And, oh, my friends, what rich and enduring blessing such realization and consequent giving of thanks could and would bring to life and society.

But I want to talk with you today not about "the lovely peas" which God has made for us. Not about the juicy turkey and its delectable stuffing and the ruddy cranberries of this season. I want to speak about the guests we shall welcome at our respective Thanksgiving boards.

Of course, we begin with our families, and what a thrilling, comforting sight it is to behold all across our country. Americans gathered by their families—grandparents, parents, children, at a feast of Thanksgiving with all the heartwarming tenderness which exudes thence—exuding not as a mushroom cloud of death and devastation but as a life-preserving atmosphere of love, of joy, of devotion.

And then, added to our families, many of us will have also friends and colleagues and associates to share with us in the happiness of that day, and we shall include them in the warmth and peace of our family circles.

Is not this fact by itself—the possibility of having such gatherings, the blessings which accrue from them, the delights which

we experience because of them; is not this in itself a reason for singing a song of joy and gratefulness to Almighty God, our Creator and our loving Father?

So—we shall thank God for these guests at our Thanksgiving boards.

And yet—I want to draw your attention to another fact of which most of us are perhaps unaware.

POIGNANTLY RECALLED

Out of the recesses of a forgotten past, something has been coming up in my recollection in recent weeks. This is a matter of nearly a half a century ago when I was at college.

There was then a play which we read and studied diligently and saw on the stage delightedly. It was written by the great Belgian playwright, Maurice Maeterlinck. The name of the play was "The Bluebird." In that play two children set out in quest of the Bluebird of Happiness. In their quest they visited many places and one of these was the mystical "Land of Memory." As they entered this area, which looked like a cluttered-up attic, there were discarded books, an old grandfather's clock, rocking chairs, a departed cat. There were also somnolent people. And as the two children entered this "Land of Memory," it happened that everything they touched, everything which they looked at became alive: The old grandfather clock began to strike, the rocking chair began to rock, the cat began to meow and the people who seemed to be lifeless, came alive.

Of course, Maeterlinck suggested that when we think of and recall the past and those who live in it, they are not gone or dead; they live—because we think of them and remember them. Memory resurrects the dead and departed and, through the gift of memory, they become real again and vital.

Now then—in the context of our national Thanksgiving Day, if we are at all aware of our Nation's history and its meaning, we give thanks not only for the lovely peas and yams today; we give thought also to our national history, to our national memories; and when we do, our history and they who wrought it, come to life.

Then they are with us, they are about us—a great and blessed company of—

"Pilgrim feet—

Whose stern, impassion'd stress
A thoroughfare for freedom beat
Across the wilderness."

A great company of—

"Heroes prov'd

In liberating strife,
Who more than self their country loved,
And mercy more than life."

A noble company who had a "patriot dream, that sees beyond the years."

I am wondering whether because of Thanksgiving Day when we visit in the "Land of Memory" we may not discover other guests than our families and friends, invisible guests who might be with us at our Thanksgiving boards, in your home and in mine? Invisible—but real.

Now this idea of invisible guests in our homes has for me a charm and a challenge.

FIVE MEMORIAL GRAINS

Just imagine that someone of that decimated Pilgrim band, who was present at that first Thanksgiving, were seated at our laden board. Recently I read something by Dr. Robert Luccock of New Haven, to the effect that "In early New England it was the custom on Thanksgiving to place five grains of corn at every plate as a reminder of the first winter when food was so depleted that only five grains of corn were rationed to each individual at a time.

The Pilgrim Fathers wanted their children to remember the suffering which made possible the settlement of a free people in a

free land, that on the day on which their ration was so reduced only seven healthy colonists remained to nurse the sick, and nearly half their numbers lay in the windswept graveyard on the hill; but when the Mayflower sailed back to England only the sailors were aboard."

Perhaps it would be something for us if we, too, placed five grains of corn beside our Thanksgiving plates to help us become aware of the presence of our invisible guest, for if we think of him—he assuredly will be there.

Again, as we invoke his memory let us welcome George Washington to our family board on Thursday next; George Washington who, in a letter to the Governors of the Thirteen Original States (June 8, 1783), voiced the prayer:

"That God * * * would most graciously be pleased to dispose us all, to do justice, to love mercy, and to demean ourselves * * * with charity, humility, and pacific temper of mind * * * (without which) we can never hope to be a happy Nation."

We need this reminder of charity, of humility, of pacific temper today and always, do we not?

I welcome the thought that Benjamin Franklin might be an invisible guest at your home and mine on Thanksgiving Day; Franklin who, at the Constitutional Convention on June 28, 1787, made the motion that prayers be recited at the beginning of each session. Said he:

"I have lived, sir, a long time; and the longer I live the more convincing proofs I see of this truth, that God governs in the affairs of men * * * I firmly believe this; I also believe that, without His concurring aid * * * we shall be divided by our little, partial, local interests, our projects will be confounded, and we ourselves shall become a reproach and a byword down the future ages * * *"

This speaks to us today, does it not?

AND LINCOLN, TOO

I rejoice in the possibility that one of the invisible guests at my Thanksgiving board may be Abraham Lincoln, challenging us today as he did his generation at Cooper Union on February 27, 1860:

"Let us have faith that right makes might, and in that faith let us to the end dare to do our duty as we understand it."

I would welcome as an invisible presence at my Thanksgiving board Theodore Roosevelt, whose ringing challenge to America voiced in a speech made in Kansas on August 31, 1910, is a message for us:

"Oh my fellow citizens, each one of you carries on your shoulders not only the burden of doing well for the sake of your own country, but the burden of doing well and of seeing that this Nation does well for the sake of mankind."

And, oh, how I would welcome to my family circle the invisible presence of one who was the hero of my young manhood and remains one of my heroes today, Woodrow Wilson, who in a noble utterance in Philadelphia on May 3, 1915, said:

"You do not love humanity if you seek to divide humanity into jealous camps. Humanity can be welded together only by love, by sympathy, by justice, not by jealousy and hatred * * * the man who seeks to divide man from man, group from group, interest from interest in this great Union is striking at its very heart."

And how truly welcome and blessed is the recollection of the message which the invisible presence of Franklin D. Roosevelt voiced in his memorable first inaugural on March 4, 1933:

"We face the arduous duties that lie before us in the warm courage of national unity; with the clear consciousness of seeking old and precious moral values; with the clean satisfaction that comes from the stern performance of duty by old and young alike."

My friends, does not all this add up to that which President Kennedy said only the day before yesterday in Los Angeles?

"In the most critical period of our Nation's history, there have always been those on the fringes of our society who have sought to escape their own responsibility by finding a simple solution, an appealing slogan or a convenient scapegoat.

"At times these fanatics have achieved a temporary success among those who lack the will or the vision to face unpleasant facts or unsolved problems.

"But in time the basic good sense and stability of the great American consensus has always prevailed.

"Let our patriotism be reflected in the creation of confidence rather than crusades of suspicion. Let us prove we think our country great by striving to make it greater. And above all, let us remember that, however serious the outlook, however harsh the task, the one great irreversible trend in world history is on the side of liberty—and so, for all time to come, are we."

STRENGTH TO BORROW

There are other invisible guests whom we might and should welcome to our Thanksgiving boards, many, many others from our American past and immediate present, whose spirit and example endured your spirit and mine, and through them who are now in the "land of memory" we can become aware again of the grandeur, the nobility, the compulsion of our American heritage.

Gentlemen, we need this recall of greatness amidst the current vogue of sneering and scoffing of the memories of our past. We need—for the good of our souls and the soul of America—to reestablish contact and communion with the guests whom we may be thus privileged to welcome to our Thanksgiving boards.

The day before yesterday also, the Roman Catholic bishops of the United States issued a very significant and meaningful statement. As might be suspected, I do not altogether accept their premises; but they did reach conclusions which from my own different premises I do warmly support. Let me quote to you a few of their sentences in warm approbation:

"It is the American tradition to look at ourselves, to examine our conscience, to reappraise our moral position. In a dictatorship this is impossible; in a democracy it is a constant necessity. "Because we have been a moral people it has been characteristic of Americans ultimately to be guided by moral considerations and, even in periods of laxity, to respond vigorously to moral appeals. Our best traditions have been based on moral principles and ideals. We must remain true to them. "Since we are a people of many religious beliefs, of diverse racial and national origins, there will undoubtedly always be tensions and some misunderstandings. But these differences will not constitute insurmountable barriers to national peace and cooperation if we are faithful to the moral principles which are the foundation of our traditions—particularly if we complement justice with charity."

To this end we may invite from the "Land of Memory" others, invisible guests whom we have placed in the hall of fame and glory of the moral consciousness and conscience of our Judeo-Christian tradition.

I am thinking of the incomparable Moses, liberator of men from both physical and spiritual serfdom. I am thinking of the prophets Elijah and Amos, Hosea and Isaiah, Micah and Jeremiah. I am thinking of the gentle Rabbi Hillel and of Jesus of Nazareth. All of these—heroes of the spirit, saints and sages of faith, vehicles of the divine; all of these now in the "land of memory" but through our recall of them welcome guests at our Thanksgiving boards.

What a company they are. And what challenge and what inspiration they bring and

impart. What a rebirth of glory may be ours, and what spiritual strength we may come into, as we purge the dross out of living, and through faith and perspective rediscover our own ideals which may have become dimmed, our own goals which sometimes become engulfed by smog. Through such rediscovery we shall rise from our Thanksgiving boards filled not only with food but filled of the spirit, a renewed, a reborn people, rededicated and blessed.

THE PEACE CORPS

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article written by Mr. Roscoe Drummond on the Peace Corps, published in the Washington Post of February 10, 1962.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PEACE CORPS SUCCEEDS

(By Roscoe Drummond)

If you thought that the Peace Corps was going to be a political boondoggle, a joyride for the volunteers and likely to alienate foreign friends—the facts are proving to be quite different.

I certainly had my own reservations at the beginning. I thought the Peace Corps was a good idea likely to go wrong in operation. It has gone right.

When its 1962-63 budget comes before Congress for approval, the Peace Corps will find that it has won many new supporters in both parties.

On the basis of its efficient management and first-year achievements, the Peace Corps clearly deserves the increasing—even enthusiastic—acceptance it is getting on Capitol Hill.

Director Sargent Shriver, Jr., is giving the Peace Corps a drive and dedication which are reflected throughout its operation.

Thus far there are 802 Peace Corps volunteers working in 14 countries in Africa, the Near East and south Asia, the Far East and Latin America.

These young, well-motivated and college-trained volunteers are working about 18 hours a day teaching students and teaching teachers, mapping roads, improving health and sanitation, improving methods of farming. The Peace Corps men received tourist travel and living expenses (some of it paid by the host countries) and \$75 a month deposited to their credit in the United States.

The only practical basis for judging the Peace Corps at this time is whether the countries in which it is serving are satisfied. On this point the facts are these:

Every one of the 14 countries wants the work continued.

But this might be a wish not to offend. It is more than that because every one of these governments—from Ghana to Thailand, from Tanganyika to Chile—is asking for more Peace Corps help.

Furthermore, 13 other countries are asking the Peace Corps for volunteers. How have the Peace Corps volunteers themselves shown up under stressful conditions? Out of 802 volunteers working in remote parts of relatively underdeveloped countries, only 1 has quit and another has been ordered home.

At headquarters, Mr. Shriver has attracted—and the Peace Corps idea itself attracted—outstanding, able people from business, from academic life, and from other Government agencies. The Peace Corps is a spartan operation in the field and it is being spartanly but firmly managed in Washington.

What is life and work like for the Peace Corps? Here is a typical report from a volunteer in Ghana:

"Real privations have been at a minimum. My house, a 2-mile walk from the school,

is without electricity, refrigeration, and transportation; but it is compensatingly located on the beautiful, grassy, warm-wind-swept plains of Winneba and faces the distant and lovely Mount Mankoadze.

"In order to reach school for the morning service and the first class at 7, I rise each day at 5:30. Classes are completed at 2, at which time I return home for lunch except when I remain on duty until 9, or for student meetings which last the afternoon. My teaching, 28 hours a week of English language, French language, English literature, and British history, demands many extra hours of preparation.

"I usually cannot retire before 10 or 10:30. Extra activities include additional classes for the upper forms in English and history (often for students not officially in my classes), and being a form master, the entertainment master, and the debating union master. When we move to our new location, I hope to do some coaching of wrestling, tennis, and basketball.

"It has been interesting to give a few Saturday night lectures to the school. * * * I was pleased to discover how much an objective, unbiased American point of view (on Berlin) can be appreciated by one uninformed but eagerly curious group of students."

The Peace Corps hopes to expand its volunteers working abroad from 800 to about 6,700 in the next 18 months.

Here is a New Frontier enterprise which is really creating a new frontier for practical American idealism in action.

"SURVIVAL U.S.A." RALLIES

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter to the editor entitled "As the Twig Is Bent," written by James Keene of Collinsville, Okla., and published in the Washington Post on February 10, 1962.

There being no objection, the letter to the editor was ordered to be printed in the RECORD, as follows:

AS THE TWIG IS BENT

I think a Tulsa conservative evangelist is using fear of communism as his most valuable asset. I observed frightened people flocking to the "Survival U.S.A." rallies in Tulsa last week to hear anti-Communist speakers.

I condemn communism as much as the anti-Red leaders at the rallies, but I contend that some anti-Communist organizations are using the public's basic hate for communism to promote rightwing platforms. They have made many constructive suggestions, but some of their other ideas are so extreme they are close to untruths.

The survival speakers frequently pictured U.S. officials and newspapers as being un-American. At the rally one night a speaker stated, "Communist China was communized by Americans." All four speakers grouped communism, Marxism, socialism, and liberalism together. In rally speeches and literature distributed, repeated pleas were made to stem the forces of liberalism and thus stop the growth of socialism and communism. These quotes and numerous others imply that the liberals or leftwingers who disagree with the rightwing leaders are Communists and intend to injure the United States.

Filled with contempt for communism, the thus gullible audience had often lost its power to discriminate between the helpful suggestions and these recurrent one-sided extremist views. Most of the people I spoke to knew only the rightwing side of the story and were scared to death of communism. One man said, "The Communists are poisoning Tulsa water. We are all going to be poisoned." So, if this rightwing group can successfully appeal to the public's emotions

rather than its reason, they will win them to their way of thinking and may even turn the people against the Government.

Tulsa has heard nothing but the conservative point of view. Send us liberal leaders to this conservative playground.

JAMES KEENE.

COLLINSVILLE, OKLA.

DEPARTMENT OF URBAN AFFAIRS AND HOUSING—REORGANIZATION PLAN NO. 1 OF 1962

Mr. ROBERTSON. Mr. President, on the anniversary of the birth of a great American, whose name has been written by historians on the scroll of fame because of his dedication to the preservation of our Union, I deem it to be fit and proper for me to say that the best way to preserve our Union—the best bulwark against dictatorship—is to preserve the constitutional rights of the States. I deplore the trend of recent years on the part of the Federal Government to encroach more and more upon those rights. That trend has not been limited to an effort by the executive branch of the Government to exercise powers not delegated to it by the Constitution. It is a program in which the Congress has deliberately participated, first, by treating the general welfare clause, intended by the framers of the Constitution to be a limitation upon delegated powers, as a separate and unlimited grant of power to the Federal Government to engage in unrestricted spending and then by completely ignoring, when it served its purpose to do so, the provisions of the 10th amendment, which clearly reserve to the States, or the people thereof, all powers not delegated to the Federal Government.

On February 14 hearings will start before a Senate committee on the proposed Reorganization Plan No. 1 of 1962. This plan is another step in the direction of increasing the Federal power over the States and their political subdivisions by transforming the Housing and Home Finance Agency into a Department of Urban Affairs and Housing, headed by a Secretary with Cabinet rank.

I oppose this plan. I think it is entirely unnecessary to make the HHFA a Department and to make the HHFA Administrator a Cabinet member. Rather than saving money, such a move would waste it. It would waste money not only by increasing the salaries and expenses of running existing HHFA programs, but it would waste money by increasing the propaganda activities directed toward expanding these programs. Also, the plan would set up an administrative monstrosity that would cut across the powers and authority of all other executive departments and agencies. Finally, in my judgment, it would create a false conflict between urban and non-urban areas, and between residents of urban areas and those who live elsewhere—an unwise departure from established precedent of organizing a department on the basis of functions and not of geography.

It seems to me clear that HHFA does not need to be transformed into a department in order to provide assistance either for urban affairs or for

housing. The Congress has already provided generously for renewing and maintaining our cities even without a Secretary at the head of a Cabinet-rank department devoted to promoting local interests. Since 1946, as the President pointed out in his message concerning the reorganization plan, major urban affairs and housing legislation has been enacted in every year except one. Included in this total are eight omnibus housing bills. The latest bill—the Housing Act of 1961—authorized HHFA to distribute some \$9 billion in additional back-door loans and grants to urban and other communities, and to underwrite billions of dollars more in mortgages.

Even now, HHFA is a big-money spender. During the fiscal year 1963, HHFA budget expenditures will come to \$1,383 million, according to the President's budget estimates, and HHFA will lay out an additional \$470 million in net trust fund expenditures under the secondary market operations of the Federal National Mortgage Association. By mid-1963, HHFA plans to have 14,981 employees on its payroll.

These facts provide striking evidence of congressional concern for our cities. In my opinion, it is evidence of concern that has passed beyond the bounds of reason and fairness. HHFA's projected budget expenditures of almost \$1.4 billion for the fiscal year 1963 will be nearly triple the \$502 million expended in fiscal 1961, only 2 years earlier. Large as these amounts are, I am sure that much larger sums will be spent if HHFA ever becomes an established Department of Urban Affairs and Housing.

Some persons think the reorganization plan will achieve economies. But even the President in his transmittal message admitted that the plan, if adopted, "will not in itself result in immediate savings." That is an understatement, to say the least. On the contrary, the adoption of the plan will result in immediate expenditures involving substantial increases.

The plan would create a new hierarchy of higher paid officials. They would consist of a Cabinet member and six sub-Cabinet officials. All would be paid at the salaries of comparable officials in existing departments—and, I understand, the Randall committee intends to recommend very great increases in these Executive Pay Act salaries.

Solely on the basis of present salaries, increased expenditures would be marked. The administrator's salary would rise from \$21,000 a year to \$25,000, although the scope of his duties would change little, if at all. To help him carry out essentially the same job, the Secretary would have the assistance of a new Under Secretary at a salary of \$21,000, three new assistant secretaries and one general counsel at salaries of \$20,000 each, and an administrative assistant secretary at a salary of \$19,000. This makes a total of \$145,000 a year in Executive Pay Act salaries, not counting an upgrading in salaries of all the assistants, executive assistants, confidential assistants, secretaries, and confidential secretaries that go along with this ballooning process.

At the same time, it is interesting to note that while the Administrator would receive a pay boost of 19 percent for doing about the same work with more help, the salaries of the Commissioner of the Federal Housing Administration, the Commissioner of the Public Housing Administration, and the President of the Federal National Mortgage Association would not be changed. In effect, these officials would be downgraded by having a layer of six sub-Cabinet rank officials placed between them and the new Secretary.

Higher salaries would be only the first step toward larger departmental expenditures. With Cabinet status would soon come requests for a new office building, erected in a style befitting a department directly concerned with the construction industry. Demands would multiply for chauffeurs, limousines, public relations officials, speech writers, mimeograph machines, flags, carpets, and all the other status symbols of an executive agency with Cabinet status.

Pressures would also mount for an expansion in other expenditures as well as in personnel. The Department of Health, Education, and Welfare provides the most recent example of what happens once an agency becomes a department with Cabinet status. Created by Reorganization Plan No. 1 of 1953, HEW made budget outlays of \$1,981 million in the fiscal year 1954, its first complete year of operation. In the fiscal year 1963, HEW's budget expenditures will amount to \$5,183 million, or an increase of 160 percent over 1954, according to the President's budget estimates. Meanwhile, HEW personnel will have risen 125 percent in 10 years. It is hard to say just how much Federal outlays and personnel for programs of health, education, and welfare might have grown during this period if HEW had not been created. But I have no doubt that HEW's experience sets an example that a Department of Urban Affairs and Housing would try to emulate, if not surpass.

Mr. President, the proposed reorganization plan has other objectionable features that call for its rejection. In the first place, the very concept of the plan, as well as the Department it would create, is confused and uncertain. While the emphasis of the Department would apparently be on urban affairs, urban housing, and urban renewal, it would not be confined solely to urban matters. Many present HHFA programs are not limited to urban or even to suburban communities.

The community facilities program, for example, was originally designed for very small communities. Even now, it is limited to communities having a population of less than 50,000, except in redevelopment areas where the program is limited to communities of less than 150,000. If the Department of Urban Affairs and Housing were ever established, would the community facilities program then be broadened to include the biggest cities? And even if the program were not so broadened, what chance would a rural community have to obtain any help from a program placed in a de-

partment devoted principally to aiding the biggest communities?

The same thing applies to the college housing program. Would the new Department substantially confine its efforts to colleges and universities located in major metropolitan areas? If so, all the hundreds of small colleges in the country or in small towns would more or less be left to fend for themselves.

HHFA's programs are not now limited to urban areas. If a Department of Urban Affairs is to be created, functions of HHFA belonging to rural areas should not be sent to this new agency, where they would be smothered.

The reorganization plan gives the false appearance of covering all urban affairs. Of course, it does no such thing—at least, at the present time. Urban affairs include labor questions, industrial, financial, and commercial matters, and transportation policies. Urban affairs include schools and colleges, highways, water, and sewage systems, electric, and gas supplies, airports, and post offices, libraries, and law courts. The new Department would have no direct responsibility for any of these subjects, except to the extent they might be taken over under the guise of urban renewal or community facilities.

Nor would the proposed Department of Urban Affairs and Housing have jurisdiction over all housing. Some major programs would continue to be independently operated. The Veterans' Administration would still administer its direct and guaranteed home loan programs, under which more than \$31 billion in loans is outstanding. The Federal Home Loan Bank Board—a constituent agency of the HHFA as late as 1955—would still supervise most savings and loan associations, whose residential mortgage holdings exceed \$65 billion. The Department of Agriculture would still operate its rural housing loan programs, under which more than \$250 million is outstanding.

While some major housing programs would remain outside the proposed Department of Urban Affairs and Housing, at least one program within the Department would be altered radically. Reorganization Plan No. 1 of 1962 would relegate the operations of the FHA to a secondary role in a manner inconsistent with the long legislative history of the agency which dates back to 1934.

The HHFA Administrator is currently responsible, under the Reorganization Plan No. 3 of 1947, "for the general supervision and coordination" of the functions of FHA. But the proposed Reorganization Plan No. 1 of 1962 would transfer the functions of the FHA and its officers to the Secretary of the Department of Urban Affairs and Housing. The plan specifies that these functions "shall be carried out under his—the Secretary's—direction by the Federal Housing Commissioner."

Today, the FHA Commissioner, who administers the most important program of a private-enterprise nature in the HHFA, is subject to the general supervision and coordination of the HHFA Administrator. According to the proposed plan, the FHA Commissioner would be placed under the direction of

the Secretary in a subordinate capacity well below the rank of the Under Secretary and Assistant Secretaries created by the plan. He would carry out only those functions that the Secretary deemed desirable to delegate to him, whether of a private enterprise or of a welfare-type nature.

Mr. President, even though the proposed Department would administer some urban affairs and some housing, it would probably continue to operate for the benefit of larger cities at the expense of smaller towns and rural areas. In other words, it would primarily be a department of large city affairs and housing. Even now, public housing and urban renewal—the biggest programs in HHFA—are oriented toward the larger cities. Many smaller towns have yet to receive assistance.

Public housing and urban renewal projects by size of locality

	With population in 1960 of—										Total
	Under 2,500	2,500 to 4,999	5,000 to 9,999	10,000 to 24,999	25,000 to 49,999	50,000 to 99,999	100,000 to 249,999	250,000 to 499,999	500,000 and over	Un-classifiable	
Total number of places, 1960.....	14,345	2,152	1,394	1,134	432	201	81	30	21	-----	19,790
Number of places served by public housing projects.....	423	251	236	257	143	101	63	25	21	22	1,542
Number of localities with urban renewal projects.....	-----	100	-----	104	87	83	55	24	17	-----	470
Percent of total population size group											
Places with—											
Public housing projects.....	3	12	17	23	33	50	78	83	100	-----	-----
Urban renewal projects.....	(1)	(1)	(1)	9	20	41	68	80	81	-----	-----

¹ Less than 1 percent.

Source: Number of places: April 1960, from Census of Population: 1960, includes 13,749 rural places under 2,500. Public housing: Sept. 30, 1961, from PHA semiannual report on local authorities, for places served by local authorities with PHA low-rent projects or reservations, excluding Puerto Rico. Urban renewal: June 30, 1961, from URA "Urban Renewal Project Characteristics," by most advanced project approval. Data include Puerto Rico.

Mr. ROBERTSON. Mr. President, the table indicates that, if past trends continue, a vote for a Department of Urban Affairs and Housing would be equivalent to a vote for a Department of Large City Affairs.

A vote to disapprove the President's proposed plan, on the other hand, would be a vote to help preserve State and municipal autonomy. States and localities need greater encouragement to work out their own problems—not greater incentive to lean on the Government for aid, regulation, and control.

To give Cabinet status to HHFA would provide a direct Cabinet voice for the larger cities requesting Federal help in order to solve their own problems for them. This, in turn, would multiply demands upon the Treasury well beyond what is now available. Even under present arrangements, the HHFA Administrator clearly implied in hearings last year before the Housing Subcommittee of the Senate Banking and Currency Committee what is at stake. Referring to urban renewal, he said at page 249 of the hearings:

As more and more communities undertake and expand their urban renewal, the Federal Government must be prepared to meet its share of the cost.

Federal loans and grants dispensed by a Department of Urban Affairs and Housing would undoubtedly be made available in the future for a wider va-

riety of purposes, and upon progressively more generous terms. Recent precedents are provided by the Housing Act of 1961. It opened up new vistas for Federal aid toward subsidized middle-income housing, open space, and mass transportation, to mention only a few, and liberalized further the terms under which Federal assistance could be extended for certain programs. Pointing to these and similar changes, a new Department of Urban Affairs and Housing would certainly press for their extension to other fields and other programs.

Under existing authority, the HHFA Administrator has already shown in the case of the community facilities program what can happen to broaden Federal lending activities. As I pointed out on the Senate floor on January 23 of this year, the HHFA Administrator—who would become the Secretary of Urban Affairs and Housing—has reinterpreted a basic statutory limitation upon the program in a manner inconsistent with the interpretation given to the same language by several other Federal agencies. As a result, HHFA loans for community facilities have been made available under generous conditions that discourage localities from seeking alternative private sources of funds.

In conclusion, Mr. President, the proposed reorganization plan appears—though without complete success—to create a new department representing

the city dweller. The Department would stand in opposition to everyone who is not a city dweller. In my opinion, it would be most unfortunate to create a department for this purpose.

No sharp cleavage now exists, as the plan implies, between city dwellers and everyone else. I do not think we should create a department to make such a cleavage artificially. Our major problems—problems of war and peace, problems of employment and unemployment, problems of industry, finance, commerce, and transportation—apply to all of us whether we live in the city or in suburban, rural nonfarm, or farm areas. Existing executive departments and agencies are based on programs and functions, not on location. The creation of a new Department of Urban Affairs and Housing designed to cater solely to the city dweller and to lobby for him would discriminate unjustly against the 3 out of every 10 persons who now reside in rural areas.

Recently a nonpartisan analysis of this entire issue was made by two political scientists and members of the faculty at Duke University, Robert H. Connery and Richard H. Leach. Their extensive study was published in 1960 by the Harvard University Press under the title of "The Federal Government and Metropolitan Areas." Chapter 5 of their book is entitled "A Department of Urban Affairs: Pro and Con."

After discussing the question at length, the authors conclude by rejecting the idea of a department in these words:

The proposal does not make political sense, it is not in accord with the administrative concepts on which the rest of the executive branch is based, and functionally it would add to the difficulties of effective administration.

In addition, as I said in opening this discussion, the proposal would represent another invasion of the rights of sovereign States.

Mr. President, in view of all the considerations I have mentioned, I urge the Senate to disapprove the proposed Reorganization Plan No. 1 of 1962.

CLASSIFIED INFORMATION

Mr. CANNON. Mr. President, one of the most challenging problems we face as a Nation in the cold war is to prevent disclosure of vital military information to our Communist enemies. This problem has afflicted three administrations through the years since the close of World War II. The present administration faces the problem today to a degree as severe as that which faced the administrations of Presidents Harry S. Truman and Dwight Eisenhower, or more severe.

At the start of this session of Congress, as a member of the Armed Services Committee, I attended a series of executive briefings by various members of the Defense Establishment. Department of Defense officials disclosed in detail to the members of the committee what purported to be classified information respecting the posture of the military departments.

Much of the classified information conveyed to us was considered so secret

that not even staff representatives of committee members were permitted to hear officials of the Defense Department.

I need not tell you, Mr. President, of my great shock upon receiving a copy of the Budget of the United States Government for fiscal year ending June 30, 1963, House Document No. 265, part 1, which gave to all who would read this document information contained in the hearings and given to Members as classified information.

I shall cite some specific examples, beginning with a chart, on page 62, entitled "Summary of Composition of Major Active Armed Forces." The chart gives the actual and estimated numbers of military personnel in every branch, the inventory of their hardware, the number of active aircraft and air wings, and other similar information. At this point I ask unanimous consent to have printed in the *RECORD* the chart on page 62 of the Budget Report.

There being no objection, the chart was ordered to be printed in the *RECORD*, as follows:

Personnel strength and force structure. The estimated Active Forces at the end of fiscal year 1963 compared with the 2 preceding years are shown in the following table: Summary of composition of major active Armed Forces

Description	Actual, June 30, 1961	Estimate	
		June 30, 1962	June 30, 1963
Military personnel (in thousands):			
Army.....	858	1,081	960
Navy.....	627	666	665
Marine Corps.....	177	190	190
Air Force.....	820	888	869
Total, Department of Defense.....	2,482	2,825	2,684
Military forces:			
Army:			
Divisions.....	14	16	16
Armored cavalry regiments and combat commands.....	7	6	6
Brigades.....	2	1	3
Battle groups (infantry).....	8	9	10
Missile commands.....	4	3	3
Air defense antiaircraft battalions.....	77	65	63
Surface-to-surface missile battalions.....	24	30	33
Helicopter aircraft inventory (active).....	2,721	2,785	3,039
Fixed-wing aircraft inventory (active).....	2,843	2,818	2,855
Navy:			
Commissioned ships in fleet.....	(819)	(898)	(862)
Warships.....	375	395	383
Other.....	444	503	479
Attack carrier air groups.....	17	18	17
Carrier antisubmarine air groups.....	11	12	11
Patrol and warning squadrons.....	38	53	35
Marine divisions.....	3	3	3
Marine air wings.....	3	3	3
Aircraft inventory (active).....	8,793	9,297	8,950
Air Force:			
U.S. Air Force combat wings.....	(88)	(98)	(86)
Strategic wings.....	37	37	33
Air defense wings.....	19	18	17
Tactical wings.....	32	43	36
U.S. Air Force combat support flying forces.....	(119)	(132)	(122)
Air refueling squadrons.....	65	67	59
MATS air transport squadrons.....	21	30	26
Other specialized squadrons.....	33	35	37
Aircraft inventory (active).....	16,905	16,244	15,449

Mr. CANNON. Mr. President, regardless of classification, this information is valuable aid to our enemies in determining their own military needs vis-a-vis our strengths and weaknesses.

This information and similar statistics are available for the price of \$1 to any potential enemy. This is a cheap price, indeed, to pay for information the counterpart of which our own intelligence agencies spend countless dollars and engage in great risks to obtain. An enemy need only write to the Superintendent of Documents, U.S. Government, Washington, D.C.

Let me cite some other examples contained in this document:

On page 60 of the same budget report appears the following sentence:

In addition, the Army will purchase nearly 40,000 tactical trucks, a large variety of supporting vehicles, and about 600 aircraft, including the Caribou transports and several types of helicopters.

Nowhere in the unclassified report made publicly available by the Department of Defense presentation do we find these actual figures. However, behind closed doors of the Senate Armed Services Committee these were given as classified information.

Page 61 of the report states:

The Navy will also procure about 900 aircraft.

Although the closed hearings involved a breakdown as to types on this figure, the number was not contained in the unclassified version of the Department of Defense report issued for public consumption.

On page 58 any potential enemy may read that—

The budget provides for continuing the capability of maintaining one-eighth of the heavy bomber fleet on continuous airborne alert.

Once again we find a statement—released to members of the committee in guarded executive hearings—appearing in a public document which can be purchased by anyone for the sum of \$1.

Finally, page 58 tells anyone interested in the subject that—

These funds will support an operations force of almost 1,200 bombers at the end of 1963, about half of which will be maintained on a 15-minute alert.

Certainly no one who believes in our open society would contend that information about our defense efforts should be withheld from the public, unless it would lend aid and comfort to a potential enemy. I would go a step further; I think public debate is useful in informing Americans about our readiness and about what is being done with their tax dollars. But I personally cannot see why we must disclose everything in our inventory, the purpose and performance of our hardware, and our plans for future military strength. Can this information fail to aid potential enemies of this country and enable them to tailor their own military posture in a more efficient manner?

This is not to imply that the examples I have listed are necessarily security breaches, or that they have not appeared publicly in other places. However, I feel

that if this information is deemed proper for presentation to the public, we should not indulge in the fakery of disclosing it to Senators behind locked doors.

In my view, there exists within the Department of Defense and between the military services a great deal of confusion over what should and should not be classified. To cite an example, during the recent armed services hearings, the Department of the Army, in its presentation, classified certain material that had several days before been publicly released by the Department of Defense. Both reports had been prepared for the same week of hearings before the same committee.

There is a vital and urgent need for the Department of Defense to make its rules on classification and secrecy as clear as possible. The whole situation of disclosure of military information needs a thorough examination at the highest level, with a view to tightening security policy, where necessary, and permitting public disclosures, when possible.

I should like to see the Department of Defense assign the highest priority to such a review; and I feel certain that Congress and the public would welcome a policy which would result in making the work of foreign agents more difficult, rather than easier.

I hope that in the future our enemies will be unable to purchase for the sum of \$1, or at any price, information such as that contained in the Budget and numerous other publications.

TAXATION OF FOREIGN OPERATIONS: ITS EFFECTS ON THE DOMESTIC ECONOMY AND THE BALANCE OF PAYMENTS

Mr. GORE. Mr. President, one of the very important subjects of congressional consideration and action this year will be the taxation of income earned abroad by U.S. citizens and U.S. corporations, including branches and subsidiaries of these corporations. Elimination of preferential treatment of income earned in foreign countries is urgent from three standpoints:

First. Fairness and equity in taxation.

Second. Balance-of-payments difficulties and other adverse economic effects that flow from preferential tax treatment of foreign income.

Third. Equalization of international trade opportunities for products produced in the United States.

In an effort to examine this subject in some depth and detail, it is my purpose to make, in the next few days, three or four separate speeches in the Senate, each dealing with major facets of this subject.

President Kennedy and Secretary of the Treasury Douglas Dillon are entitled to commendation for their persistent requests and recommendation to the Congress that tax favoritism for income earned abroad be eliminated. It is, in my opinion, eminently in the public interest that the Congress pass the necessary amendments of tax law this year. Moreover, I think it is necessary that this be done before enactment of the President's reciprocal trade recommendations.

Large and powerful special interests are opposing with all their vigor the closing of these loopholes of tax favoritism. In their intense opposition, these interests are resorting to uncommendable tactics, to say the least. In fact, a very high official in the Kennedy administration informed me last week that some of the large vested interests with farflung investments abroad are attempting to blackmail the administration and Congress into inaction on this subject. He described this attempted blackmail as aimed at the President's recommended international trade program, and described their actions as blatant and vicious.

So, Mr. President, the Senate should be aware of this pressure campaign against correcting an evil favoritism in our tax laws. Let us hope that neither the House nor the Senate nor any department of the executive branch will yield to this pressure and to such tactics. It is with regret that I say, however, that there are already some signs that this pressure campaign is having an effect in at least one of the departments in the executive branch of the Government. This, I am glad to say, is not the Treasury Department.

Our Government, including several members of the legislative branch of Government, has been tardy in adjusting to changed and rapidly changing world conditions, its thinking on the balance of payments, and the taxation of foreign income.

After World War II, there was a dollar and gold shortage among the major trading nations of the world, with the exception of the United States. During this period, my colleagues will recall, one of our major policy objectives was to assist in the buildup of their dollar balances. This policy objective lasted through the late 1940's and early 1950's. The need for such a policy, however, ended at that time, since the necessary buildup by most major nations was accomplished by the middle 1950's.

But, Mr. President, long after the goals of this policy had been accomplished, the policy was continued and strenuous efforts were made by some to provide further tax incentives which, if they had been approved, would have made the severe difficulty of today even more severe and worse. For instance, in 1959, H.R. 5 was introduced in the House, hearings were held, and early in 1960 the bill was approved by the House Ways and Means Committee and passed by the House. It was only by strenuous efforts that a few Members of the Senate were able to prevent its enactment. Fortunately, the Senate declined to pass the bill.

This bill had, as a primary purpose, the draining away of U.S. dollars into foreign investment when even then the crying need in this regard was already not only for the elimination of special tax incentives for promotion of such an outward flow, but for some way to slow the outflow of dollars. Even today, as I have said, one finds strenuous resistance to the correction of these mistaken provisions of our tax law, both in the Government and outside the Government.

It is easier to understand the action on the part of a private interest which is receiving vast benefits from this laxity in our tax law with respect to foreign income. I find it difficult indeed to understand how legislative committees and officials in the executive branch of the Government could take a similar position.

The success of the Marshall plan and other measures for post-war rehabilitation in both Western Europe and Japan was so phenomenal that the results literally caught the United States off guard. This may explain the tardiness of our Government in adjusting to the drastically changed situation affecting international economies and monetary exchange. It is possible that some of our people were misled by the aberrant year, 1957, when the Suez crisis threw all our foreign transactions out of kilter.

The following table, showing gold reserves and dollar holdings of certain foreign countries for the years 1949, 1956, and 1960, shows the rapid buildup to 1956 and the excessive buildup between that year and 1960.

[In millions]

	1949	1956	1960
Austria.....	\$92	\$377	\$539
Belgium.....	820	1,054	1,314
France.....	713	1,557	2,165
Germany.....	149	3,343	6,450
Italy.....	564	1,270	3,080
Netherlands.....	370	983	1,783
Japan.....	356	1,149	2,169

From 1950 through 1960 we lost about \$7 billion in gold and all foreign countries combined increased their liquid dollar holdings by about \$12.5 billion.

By 1958 it was obvious to most students—and certainly by 1959 it was, or should have been, obvious even to the casual observer—that the United States was face to face with a real problem in its international transactions and that, unless something happened to reverse the trend, we faced a seemingly permanent adverse balance of payments.

By 1959 and 1960 the problem was becoming acute, but the Eisenhower administration, outgoing and moribund, offered no real leadership for a national adjustment to this increasingly pressing problem, though both President Eisenhower and his Secretary of the Treasury, Robert Anderson, became alarmed over the situation. As a result, there was considerable confusion during 1959 and 1960 as to our national policy and whether fundamental changes would be made.

Indeed, as I have said, the House of Representatives passed a bill, H.R. 5, which, in my opinion, went in the wrong direction. Fortunately, we were able to stop it in the Senate.

The new administration of President Kennedy quickly recognized the danger and difficulty of this growing problem, but it, too, has been slow to provide the necessary leadership to make fundamental corrections.

An important part, though only a part, of the necessary corrective action is the elimination of preferential tax treatment of income earned abroad by U.S. citizens, U.S. corporations, and their sub-

sidiaries. One of the greatest uncontrolled outflows of dollars is associated with the rapid buildup of American investments abroad, especially manufacturing operations in Western Europe, though the problem exists to a certain degree with respect to Canada, Japan, and other areas.

During the past 10 years, the United States has sent abroad, or rather permitted its citizens to send abroad, about \$13 billion for investment in American-owned businesses. Two-thirds of this has gone into already well-developed countries. This does not include foreign earnings of such interests that were not repatriated to the United States.

Direct, long-term U.S. investment abroad by U.S. citizens and companies now amounts to approximately \$35 billion, and this investment is increasing at a rate of about \$3 billion per year. This buildup is due in large part to our faulty tax laws, which encourage runaway investment abroad, and, at the same time, discourage, or at least do nothing to encourage, the repatriation of earnings from this investment in the form of dividends from American-owned foreign subsidiaries and branches.

Even more disturbing is the fact that almost half of our direct investment abroad is going into manufacturing facilities. Our tax laws play a big part in this, too, as I shall now demonstrate.

THE TAX MAGNET

Tax favoritism serves as a positive force to pull capital funds into economic activities thus favored. There are, of course, other forces which also operate to influence the allocation of capital and resources among different economic activities, and we must know something of all of them if we are to understand the direction and magnitude of the resultant vector. But one of the strongest and least understood of the forces pulling dollars out of the country is our faulty tax code which lends undue encouragement to investment abroad at the expense of domestic investment.

In foreign operations there are considerations of cost—often greatly exaggerated—as I shall discuss later. Tariffs and other factors adverse to international trade play a part. But we have done much during the past 30 years to minimize these barriers, and will soon be able to consider legislation which may do even more in this regard. In some types of operations, it is desirable to be near markets in order to render proper service. This is sometimes a compelling reason for locating in one or more countries abroad, but hardly ever the reason for setting up a sales office in a tax haven country.

But the tax factor is the most important consideration in many of our runaway operations.

Many who have given this little thought, as regards foreign operations, can clearly see tax considerations at work in the allocation of capital among various domestic activities. We can see it most clearly, perhaps, in petroleum exploration. It is often not too difficult to persuade an individual in the high-income brackets to put money into drilling for oil, even if the chances of bringing

in a productive well do not appear too good. If one ends up with a dry hole, the Government pays for a very large part of the cost. If, on the other hand, one hits it lucky, the Government lets him keep much of the profits tax free. It is considerably more difficult to raise money to start a business that does not have favorable tax treatment. In much the same way, tax favoritism acts to influence foreign as against domestic investment.

We hear much about lower foreign costs as a factor favoring overseas location of a plant. Costs are certainly important, and we must be careful to avoid uneconomic increases in costs here at home. We must, of course, be realistic about price and wage increases. But, let me repeat, the cost factor abroad has been oversold. If our runaway factories are going to Europe for the sake of lower costs, many of their owners are doomed to disappointment.

The cost factor was put in pretty good perspective by a survey made last year by the National Industrial Conference Board. This survey covered 100 firms which had plants both in the United States and abroad. While, among these firms, 89 articles could be made and marketed abroad more cheaply than in the United States, 94 products showed higher unit costs abroad. These costs included overhead and sales expense. Purely on production costs, the United States would look even better. I question that a manufacturing plant is very often located in Europe purely on the basis of lower cost of production. But where cost is an element, it is something everyone can understand.

The pull of tax incentives, on the other hand, is not nearly so well understood. We hear comparatively little said about the movement of factories to Europe because of the lower taxes imposed as compared with Federal, State, and local taxes imposed on a domestic plant.

There are several separate and distinct tax advantages to locating a factory in Europe:

First, deferral. Most foreign enterprises owned by U.S. corporations, except those connected with petroleum and mining operations, are organized as subsidiaries rather than branches. This means that no U.S. taxes are due until such time as dividends are paid to the parent organization in the United States. In many instances income taxes in foreign countries are considerably lower than in the United States. Furthermore, even when the tax rate is substantially the same, as in the case of Germany, a sales office in Switzerland can be used in such a way as to lower the effective German tax.

The value of tax deferral is real and measurable. It amounts to an interest-free loan of tax moneys which should have been, and were not, paid over to the United States. This tax-free loan continues as long as the profits are not repatriated to the United States. In many instances this situation has lasted for many years. In other instances ways are found to liquidate the foreign operation and to return the money in a form which is taxed at a much lower rate.

A study made about 2 years ago by the American Management Association showed that, because of this preferential tax on operations abroad, as compared with taxes here at home, reinvestment of foreign earnings could provide, over a 3-year period, roughly double the rate of profit accumulation for reinvestment that is possible under domestic tax schedules.

This, Mr. President, certainly should illustrate that tax deferral on the earnings of foreign subsidiaries is very real, very great and measurable. The deferral privilege then both draws funds overseas and tends to keep them there.

Mr. MONRONEY. Mr. President, will the distinguished Senator yield?

Mr. GORE. I yield.

Mr. MONRONEY. The distinguished junior Senator from Tennessee is making a most important statement, one of the most important which has been made in regard to the problem we face as to the outflow of gold, which impairs the soundness of the U.S. dollar. The vast amount of investment abroad which the Senator recites, of nearly \$13 billion, indeed is a claim against our dwindling gold stocks because of the overexport of American dollars abroad, beyond a balance of trade. If there were an outflow of dollars connected only with our genuine trade balance, we would be in a surplus position rather than a deficit position, would we not?

Mr. GORE. Yes, indeed.

Mr. MONRONEY. So it is the investment abroad which causes the difficulty. As the distinguished Senator points out, this has been in excess of \$13 billion in the last 10 years, and is now running at a rate of about \$3 billion a year. A large part of the dollar deficit in our trade balance shows up because of that; is that not correct?

Mr. GORE. That is correct. I wish to emphasize that this is only direct investment abroad. This outflow of investment capital does not include the reinvestment of profits, untaxed profits abroad, nor does this \$13 billion figure include types of capital outflow other than for direct investment.

Mr. MONRONEY. I was coming to that, which is a most important point. I was merely laying a predicate, by stating that we are exporting dollars at the rate of \$3 billion a year for investment abroad. There is little or no return on the \$3 billion in taxable profits made by contractors who build buildings, or by suppliers who supply raw materials, or by laboring men who draw wages and pay income taxes, which would have been generated had the \$3 billion a year been invested in an expansion at home.

Mr. GORE. The Senator is correct.

Mr. MONRONEY. Therefore, we must take it one step further. I think this is the important point. There is in fact little, if any, repatriation of earnings on these investments abroad. I have discussed the problem with leading industrialists who defend the process by saying, "This gives us capital to reinvest." Certainly the reinvestment, as the Senator points out, would not be made until the profits were repatriated. It is strictly a voluntary repatriation, and there is

a heavy tax on the part of the United States when the money is repatriated. So we almost put a ransom, so to speak, on the dollars remaining abroad. If the dollars come back to the United States, they are taxed and shrink in accordance with the U.S. tax. If the dollars remain abroad, they need not be taxed at all until they are brought back to the United States.

Mr. GORE. Why does the Senator use the word "almost"? Do we not in fact give a premium to people to keep the money abroad?

Mr. MONRONEY. I quite agree. One leading industrialist told me of a plant which had been started several years ago in France, and said that they had been able, by plowing back earnings from the plant, to build a plant in Switzerland, a plant in Germany, and a plant in Italy. There are some 10 more countries to go. By the time they have built a plant in each of those countries, they will probably get around to rebuilding or expanding the original plant. The dollars will never come home.

I cannot see any reasonable prospect, unless there is a severe war scare or a severe threat of the taking over by an irresponsible or unreliable government, that the dollars will finally come back to the United States in the form of dollars to be taxed. In other words, as long as we help support—and I am all for this, as is the distinguished Senator—an economic climate in an effort to combat communism and, to some degree, socialistic tendencies abroad, for that length of time we insure that the dollars will never return to the United States. They will go on and on, like the babbling brook, and forever the income from the original investment will remain abroad to benefit the economies abroad and to provide jobs and work for the people of Western Europe, because the security which our own defense forces and our efforts in NATO have created keeps them there.

Is that not a correct statement?

Mr. GORE. The Senator is correct. I thank the Senator for his able contribution. I was interested in the quotation he gave from a leading American industrialist with investments abroad. I believe that gentleman said to him that the provision of the tax law about which we are speaking, "gives us capital to reinvest." Indeed, that statement is correct, if one should compare the tax treatment of a business investment in the United States with that of such an investment abroad.

If the gentleman about whom we are speaking should make a profit of \$1 million from the operation of a factory in the United States, the corporate income tax would be 52 percent of the \$1 million. But if he should make \$1 million on his investment through earnings by a subsidiary abroad, he would pay absolutely nothing to the United States, until, unless, or if the money was brought back to the United States. So, in fact, such an industrialist would retain the tax moneys which he owes and should pay annually, in my opinion, to the U.S. Government to invest abroad.

What might be the consequences of a continuation of such practice? We shall find that export markets for American

factories will be taken away, not because in many instances we are priced out of the market, but because our tax laws give preferential treatment to income earned abroad by our own corporations through their foreign subsidiaries. Therefore we find typewriter factories moving from the United States to Italy. We find prominent automobile concerns making parts abroad and then assembling cars here in the United States, or even shipping in the completely assembled automobile. Why? I could not illustrate the point better than the quotation I read from a survey made by the American Management Association. The association said that over a 3-year period "roughly double the rate of profit accumulation for reinvestment that is possible under domestic tax schedules" could be accomplished.

So when the industrialist with a foreign investment states to my friend the distinguished junior Senator from Oklahoma that the tax laws give him money to reinvest, then indeed that statement is correct. The U.S. Government, in effect, lends him the money interest free, and puts the most favorable interpretation possible upon the action.

Mr. MONRONEY. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. MONRONEY. I am afraid that the term "lend interest free" might be misleading, because it is not a loan that has a due date upon it. The money is not returned. It is an indefinite advance against which, during our lifetimes, the results of the American investment abroad may never return, or it may never return until a great crisis faces the investment abroad. Then it may run away from Europe and seek a haven here.

Mr. GORE. The Senator is correct. In turn I suggest to the able Senator that even though there might be a threat of expropriation or socialization of factories in Ghana, Belgium, or Italy, the dollars which have been invested in a plant may not be returned to the United States. In fact, if the dollars are not in liquid funds but rather invested in plant and facilities, they cannot be returned to the United States unless the property is sold. The property might be seized. So there is no assurance that the profits will ever be repatriated.

Of course, under the tax laws there are other ways of proceeding, such as the collapsing of a foreign subsidiary, in which case the funds would be returned and taxed at a capital gains rate.

Mr. MONRONEY. The rate would be only 25 percent, as I recall, and all the resulting earnings of 10 or 20 years of oversea profits could be collapsed in one operation and taxed at a capital gains rate. Is that statement correct?

Mr. GORE. The Senator is correct.

Mr. MONRONEY. But if the parent corporation had had a capital gains loss by reason of the disposal of unprofitable properties, then even that would be subject to credits against the write-off allowed—quite properly under the capital gains laws—for the destruction, tear-

ing down, or abandonment of other producing properties here.

Mr. GORE. The Senator is correct.

Another one of the advantages in any tax treatment of foreign operations is the foreign tax credit.

Second, foreign tax credits. A business enterprise located in a typical city in the United States must pay State taxes, county taxes, city taxes, and often other special taxes in addition to its U.S. income tax. All these non-Federal taxes are, of course, business expenses and are properly deductible from gross income in determining income subject to tax by the Federal Government.

But in the case of foreign income and similar taxes, these items of actual business expense are not charged off as expenses. Instead, they are applied as a credit against the U.S. income tax if and when that tax is finally paid. This ability to use foreign income taxes as a credit against U.S. income taxes rather than a deduction from taxable income gives a decided edge to foreign investment.

Mr. KEFAUVER. Mr. President, will my colleague yield?

Mr. GORE. I yield.

Mr. KEFAUVER. I am very glad that my distinguished colleague from Tennessee is speaking on this subject again. I know that he has called to the attention of the Senate and the public many times the fact that at the present time instead of goods we frequently export capital to compete with the goods we make here.

My colleague from Tennessee is talking about foreign taxes in foreign countries. I should like, first, to ask him how they compare with taxes on income earned in the United States, generally.

Mr. GORE. As a general rule, the income tax rate is lower abroad. Of course, the tax on income varies from country to country. It varies also as to the interpretation of what is or what is not taxable income. I could answer my distinguished colleague only generally by saying that on the average the income taxes abroad are lower than they are in the United States.

Mr. KEFAUVER. Then, as I understand, any tax that is paid abroad is not just a deduction against income, but it is also a deduction against any tax that might sometime be paid on the earnings of that foreign corporation to the United States. Is that correct?

Mr. GORE. That is correct. I maintain that that gives a decided advantage to a foreign operation. Let me illustrate that point. Suppose that a factory is located in New Orleans, La. There, a State income tax would be levied against the profits of the factory. The city of New Orleans might levy a similar tax also. In this case, the factory would treat these taxes as a cost of doing business. They would be subtracted from gross income, along with other expenses of doing business, in order to arrive at the taxable income.

Not so with the foreign tax. It is subtracted from the taxes which are paid to the United States or which should be paid to the United States, if and when such taxes are paid.

Mr. KEFAUVER. I remember that when a committee of which I am a mem-

ber conducted an investigation into the operations of the Middle East oil companies—and my colleague also has spoken on this subject several times—we had a very vivid example of what the Senator is speaking of now, and that is, that the Middle Eastern countries levied a tax which was to some extent in lieu of royalty on the number of barrels of oil taken out of the ground. This was charged not as an operating expense, but was considered a credit on any tax that might be paid to the United States. As a result these companies have paid little or no tax on their very large operations in the Middle East. Is that not true?

Mr. GORE. Many large international oil companies pay little or no tax. As a matter of fact, I have seen the tax return of one very large international oil concern. I have seen this return, as have also the other members of the Finance Committee, in executive session. That return showed that over a 5-year period the corporation paid absolutely no tax at all to the United States.

Mr. KEFAUVER. Yet the United States gives them protection and tries to see to it that their property is not taken over.

Mr. GORE. Yes; and I think the United States should. But I also believe that these corporations, which are making these enormous profits, ought to pay their fair share of the burden of national defense and the cost of government. Let us compare that with the cost of the independent operator in the State of Oklahoma. How can a man there compete?

Mr. KEFAUVER. I think it is high time that something be done about the situation. I know the bill originates in the House of Representatives. However, I hope that the Senator from Tennessee will press hard for some remedies when the bill gets to the Senate, if it gets there.

Mr. GORE. I surely shall. I thank the Senator.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MONRONEY. What I am about to ask relates to a kindred subject. Coming back to the \$13 billion outflow in the last 10 years and the present rate of \$3 billion a year and the disproportionate tax rate—

Mr. GORE. That is outflow of \$3 billion is the current increase in value of direct investment.

Mr. MONRONEY. Yes; not reinvestment.

Mr. GORE. That is direct investment.

Mr. MONRONEY. Yes. Does not the financing of the construction and the plant operations abroad add further pressures to the availability of capital in the United States for expansion? In other words, it is in direct competition, because whatever expansion is done is largely done on financing floated inside the United States, on the stock market or by bonds or debentures, with the dollars acquired here and exported abroad. Therefore, the law of supply and demand of investment capital being sought for the expanding growth that President Kennedy has warned we must have, the

trend to a higher and higher interest rate level is adding not only to the difficulties of the necessary domestic expansion of industrial capabilities, but in doing so is also adding to the long-range interest burden that these people must pay; whereas, if these investors abroad wish to set up genuine foreign corporations, their credit is good enough so that they can go into the foreign market and borrow deutsche marks or pounds sterling or other currencies, like liras or francs, and use those for their plants abroad, paying perhaps a slight interest premium, but in this way in one stroke eliminating the outflow of \$3 billion a year in the dollar deficits balance in the United States.

Mr. GORE. The Senator makes a pertinent point. To the extent that capital flows abroad as a result of this lax tax treatment of profits earned abroad, tight money is that much tighter, and competition for investment capital and competition for the sale of municipal and county and State and Government bonds is made just that much keener.

Thus the pressure on interest rates in the United States is upward. Strange as it may seem, the same groups that oppose eliminating this loophole in tax favoritism on their foreign earnings are now pressuring the U.S. Government to raise the rediscount rate in order to stop the outflow of funds. It seems that they get it both ways. This should not be permitted.

Mr. MONRONEY. The Senator has heard, as I have, the cry and has read the newspaper stories emanating from high places in the Federal Reserve that, having gone through this upward spiral of interest rates before, it sounds like the band coming down the street with the banner reading "Higher and Higher Interest Rates."

It would seem to me, partly because of the excessive outflow of dollars abroad for investment in well developed countries and partly because of the tax haven that this investment offers, we are, in our own businesses that the President is lecturing to, and in the Nation that he has been lecturing to, on the need for growth of our own industrial capabilities, and to not take second place in the economic race against the Communist world, face to face with a difficult problem, and the Senator's speech shows one of the causes of the brakes being put on domestic industrial expansion. It seems these brakes are being applied by the very pressure of taxes which penalize domestic American industry and work to the advantage of those who seek to invest abroad. So we get it in a 3-way punch: First, the jeopardizing of our gold supply by the investment of huge sums of money abroad, rather than paying foreign corporations with foreign currencies; second, in higher interest rates because of the law of supply and demand, requiring us to change the rediscount rate, and therefore to apply the brakes—and they are 4-wheel brakes; and, third, by hampering the necessary industrial expansion the President is seeking to obtain in the next 4 years to protect

our status as the principal industrial Nation in the world.

Someone in the White House ought to be concerned about this situation. I am somewhat disappointed to observe that over at least a year the monetary problems inherited from the past administration have so largely been left unattended. I know the President has been a busy man; but there are persons in his administration who have ample time to study the problem and focus public attention upon the difficulty we are experiencing.

Mr. GORE. I point out one additional way in which America is slapped by this lack of tax treatment of profits earned abroad. Our unemployment rolls continue high. In many areas in the United States employment opportunities are scarce. Indeed, one of the bills enacted last year undertook to provide stimulus for the development of industry in distressed areas; but the premium which Congress placed upon the locating of an industry in any one of the many distressed areas of the United States is not nearly so great as the tax premium for building a factory abroad, which is inherent in the provisions of the tax law which I am discussing.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. GORE. I yield to my distinguished senior colleague from Tennessee.

Mr. KEFAUVER. I know that some persons unthoughtfully might wish to characterize this discussion or colloquy as tending to advocate something in the direction of isolationism; that is, not wanting Americans to build factories abroad; not wanting foreign companies to build factories here. My colleague from Tennessee, the Senator from Oklahoma, and I, being what we might term internationalists, know that that is not the situation.

All my colleague from Tennessee is saying is that if American industries wish to build factories abroad—and certainly they should if the economic situation justifies it—they should at the same time pay their fair share of taxes in the United States. They should not build their factories abroad purely, simply, and only for the purpose of trying to avoid tax responsibility to the Government of the United States. I think that is the basis of this discussion; and on that basis it is very sound.

Mr. GORE. I thank my distinguished colleague from Tennessee. It is true that those who wish to preserve this privileged tax treatment will use almost any argument to keep it; and among the arguments they use is that to close this loophole will interfere with freer trade. I am glad my colleague from Tennessee has raised that point.

Needless to say, both he and I have, without fail, supported the liberalization of international trade throughout our careers in the U.S. Congress which, in each instance now, extends beyond 20 years. This is likewise true of the distinguished junior Senator from Oklahoma [Mr. MONRONEY], with whom it was my honor to take the oath of office in the U.S. Congress on the same day.

Let us examine this proposition. If a barrier is erected in one country to the

free flow of trade and commerce, then that is called a tariff wall; it is called an impediment or a hindrance to the free flow of international commerce. Indeed, that is what a tariff wall is: It is there to give protection to a domestic industry.

Now suppose that a wall is not erected, but that a subsidy, a premium, an enticement, or a reward is offered to induce the flow of investment funds abroad. That is an impediment in reverse. One situation contributes to inequality; one inhibits the free flow of trade and commerce. Both are impediments. That is one reason why I say it is necessary to deal with preferential tax treatment of income earned abroad at the same time as, or before, we pass a bill further to facilitate international trade. This is a hindrance of the equality of economic opportunity, as I have tried to point out.

Let us take an example. Suppose a U.S. typewriter manufacturer finds that by making its typewriters in Italy or Switzerland, in a period of only 3 years the accumulation of profits which it can earn and set aside for reinvestment is twice as great as it could accomplish in the United States. Then I should say that that is a great inducement; it is a subsidy by way of taxation to the exportation of the U.S. typewriter factory. What will we find? We will find that factory stopping its production in the United States. It will maintain only a sales agency in this country, but will conduct its manufacturing abroad. What effect will that have? It will throw American workmen out of their jobs. It will reduce the revenue in the form of taxes paid to the Federal, State, and local governments. It will thereby prevent the standard of living of the American people from being increased to its proper level.

So long as there was in the free world the problem of the dollar gap, when the excess of holdings of the United States created an imbalance of trade, there may have been justification for a policy of tax incentives to encourage such investment abroad. I seriously doubt the use of our tax laws in pursuance of foreign policy, although there may have been an argument for it then. However, when the problem is no longer a dollar gap for Great Britain or West Germany or Switzerland or Belgium or Holland or Italy or almost any other country, but, rather, is the outflow of capital from the United States, the imbalance of payments for the United States, then I say it is time for us to consider this problem in the light of the circumstances as they exist in 1962, not as they were in 1952.

Mr. KEFAUVER. Mr. President, if my colleague will yield further—

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Does the Senator from Tennessee yield to his colleague?

Mr. GORE. I yield.

Mr. KEFAUVER. In addition to the sales in the country in which the factory may be located, I believe the record shows that quite often the factory built abroad with American capital, which is receiving a preferred tax treatment,

competes by means of importing materials back to the United States. Certainly in the markets of other countries such an arrangement has reduced exports from the United States to many of our best customers. Is not that true?

Mr. GORE. That is very true.

AMENDMENT OF ACT ESTABLISHING CODE OF LAW FOR THE DISTRICT OF COLUMBIA

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business which will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 5143) to amend section 801 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901.

TAXATION OF FOREIGN OPERATIONS: ITS EFFECTS ON THE DOMESTIC ECONOMY AND THE BALANCE OF PAYMENTS

Mr. GORE. Mr. President, to cite another example: A U.S. corporation with a large export trade will build a subsidiary abroad, first to service, then to sell to its customers abroad from the subsidiary foreign factory. This cuts down on the exports from the U.S. factory. It cuts down on the production from the U.S. factory, and may even result in imports back into the United States of the products of its foreign subsidiary. On the profits of this foreign subsidiary it pays no taxes currently, and may, indeed, pay very little taxes at any time. This is very damaging to international commerce.

Another step which was not typical until recently, although it may be typical now: A holding company, another subsidiary, is established in a tax haven country—for example, in Liechtenstein, Monaco, Panama, or Switzerland. The profits are funneled from the foreign manufacturing subsidiary located in, let us say, Germany, and from the sales back in the United States, into the tax haven corporation, thereby avoiding the payment of taxes in any substantial amount to anyone, anywhere. That is being done by hundreds of U.S. corporations; and, as I have said, the managers of these corporations are now threatening, or are undertaking to blackmail, the U.S. Government into inaction to correct this loophole of tax favoritism—threatening to oppose the President's recommended reciprocal trade program unless the administration agrees to withdraw its support of its own recommendation that this favoritism be corrected. This we must stand for.

Third, gross-up. There is another provision of the law which needs correction; it is the provision which permits a faulty gross-up. Due to imperfect language in the statute dealing with the crediting of foreign taxes against U.S. income taxes, there is allowed, in effect, both a deduction and a credit for foreign income and associated taxes paid. This has the effect, even without setting up a tax haven operation, of reducing the

effective U.S. tax rate to close to 40 percent in some instances.

Fourth, tax-haven abuses. Mr. President, I have already referred to tax-haven abuses. I do not wish to take the time today to detail all of the various types of tax-haven abuses possible under our tax laws. At a later date I expect to deal at some length with such tax-haven abuses. Let me say just now that these abuses are legion, and are used, not only to reduce foreign taxes and pull profits of legitimate foreign operations into tax havens almost tax-free, but tax havens are also used to pull profits from American domestic operations into tax havens, so as to escape U.S. taxes. This latter type of outflow, or lack of proper inflow, of dollars is doubly harmful.

It is also often possible to collect profits for several years in a tax-haven dummy corporation, then collapse the corporation and bring home the accumulated profits in the form of capital gains which are subject to a maximum tax rate of 25 percent. I have already referred to this.

Many of these tax-haven abuses are subject to correction administratively—if they can be detected, if the books are available, and if all taxpayers concerned are cooperative. These circumstances seldom prevail. Detection is difficult, and requires the time of many more highly trained and skilled revenue agents than we have available, even if all of them were put on such cases. Furthermore, with the books in a foreign country, and often subject to strict so-called antiespionage laws, it is impossible for the U.S. Government to get at the true facts.

Mr. President, as I have said, within the next week or two, I shall have more to say about tax-haven operations and abuses. Suffice it to say right now that similar operations and opportunities for tax avoidance and evasion are not available to domestic operations.

Fifth, income earned abroad by individuals. Foreign operations have a further tax advantage over domestic operations, in that U.S. citizens are allowed, under our faulty tax laws, to go abroad and work for a number of years and avoid payment of U.S. income taxes. This makes working overseas relatively attractive, and enables companies with foreign operations to hire capable U.S. personnel at lower salaries or wages than those they would otherwise have to pay.

Mr. MONRONEY. Mr. President, will the Senator yield at that point?

Mr. GORE. Yes; I yield.

Mr. MONRONEY. Yesterday, in one of the leading Washington newspapers, I read a review of a new motion picture. It started out by saying:

This is one of the few featured pictures that have been made in California in recent years.

Mr. GORE. What has happened to Hollywood?

Mr. MONRONEY. Hollywood has suffered from what the able Senator has been talking about, in that the premium in the retention of dollars abroad has created not only a tax haven, but the movement abroad of an industry which

was once distinctly American, and which poured hundreds of millions of dollars into this country not only from the taxation of the motion picture industry and motion pictures themselves, but also from the extremely high salaries paid to the movie stars. The industry is finding it cheaper to export stars. Today, if one wants to find an American movie star he finds him or her in Italy, France, Spain, Mexico, or other areas in the world. This has had a very depressing effect, if not an almost catastrophic effect, on the once giant movie industry of California. The great studios that once produced prize pictures are now manufacturing 15-minute television horror shows. We have gone from art to horror in our classic treatment of drama, and both our intellectual diet and our financial income have suffered greatly from the very thing of which the Senator is speaking.

Not only is the income earned abroad by the individual movie stars, as well as the engineers, machinists, or designers, but also the group who earned their great reputation in American-made pictures now find it of great advantage to make moving pictures abroad, as do the producers of which the Senator speaks, under the tax haven which allows a much greater amount of the gross to be retained under the tax laws of the United States.

Mr. GORE. When I was last in Geneva, sometime last year, someone remarked that there were more U.S. movie stars in Geneva than there were in Hollywood. I do not know whether that was an accurate statement, but I find it extremely interesting that the Senator read an advertisement yesterday regarding a new movie which stated that it was one of the few motion pictures which have been made in the United States in recent years. The salaries of movie stars, of course, are only a small part of the overall problem, but I ask the Senator from Oklahoma why an American citizen who earns his income in Bermuda or in Canada, even though he is there only temporarily, should have less of an obligation to contribute to the defense and welfare of his country than if he lived in Hollywood or Tennessee or Pennsylvania.

The Senator has cited something which he read in the daily press of yesterday. I too read an interesting article—not an advertisement; this was a news article. I shall not name the company, because I am not certain of all the facts, but let me recite the purport of the article. It was a news story that one of our large automobile companies was going to produce a new compact model automobile. Deep in the story I read that the parts were to be made in a factory abroad, but the automobile was to be assembled in the United States. This illustrates one of the trends to which this tax loophole contributes directly.

What the able Senator from Oklahoma said about the salaries of our movie stars goes for the salaries of the officials and the employees of the foreign subsidiaries, and some of them are not so far away. It does not take very long to fly from Miami to Nassau—about 20 or

30 minutes. Yet, if an American citizen establishes a home in Nassau and has a subsidiary there from which he earns a large salary, he not only makes no tax payment to the U.S. Government, but, under the tax laws, he does not owe any on this particular income.

President Kennedy has recommended that that loophole be closed. He has recommended that many more of the loopholes of tax favoritism on income earned abroad be closed. I hope the Congress will not delay very long in correcting these loopholes. I must say that we have been tardy. The legislative branch has been tardy, and some elements of the administration are already weakening on the recommendation. I do not think they include the President. I have talked with him personally about it. I do not think they include the Secretary of the Treasury. I want to see these loopholes closed.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MONRONEY. Lest someone say that, after all is said and done, and after all of the tax postponements and deductions, and matters of that kind, finally, in the end, the inheritance tax will get you, if you are an American citizen. It is my understanding those who choose to buy a palatial estate particularly in the British Commonwealth countries, in the rapidly growing sunshine areas of the Bahamas or Jamaica, will be allowed a heavy tax deductibility by the British for homesteads. This also would be one way in which, even in the final analysis of the inheritance tax which might be due, the graciousness of our tax laws will permit exemptions abroad.

Mr. GORE. There is a provision in our tax law which exempts foreign real estate from U.S. estate taxes. It is a complete exemption. I can cite some very interesting cases to the able Senator from Oklahoma, some of which have come to me in a confidential way, in which huge fortunes have been passed on to sons and daughters without the payment of any estate taxes whatsoever through this particular device. It is not limited to the Bahamas, where real estate is now thriving. This is a complete exemption under the U.S. estate tax laws. It, too, is a loophole which President Kennedy has asked Congress to close.

It, too, is a loophole which the Congress has been tardy in closing.

Earlier, the able junior Senator from Oklahoma expressed some disappointment that the administration of President Kennedy had not moved as effectively and as promptly as possible to correct some of the evils in our monetary and taxation field. He is certainly not without cause for his disappointment, but in this instance the President 1 year ago asked the Congress to close these loopholes which discriminate against American citizens, against U.S. communities, against U.S. factories, and against U.S. production, which help to create the serious problem of capital outflow, of imbalance of payments, and of the flight of our gold. The Congress has not closed these loopholes. I think it is in the process now of closing some of

them, but only some of them. I am anxious to see all of them closed.

All of these provisions to which I have referred give an advantage, insofar as taxation is concerned, to operating abroad as against performing the same operation here at home. This tax advantage cannot help but act as a magnet to draw funds abroad—funds which could and should be allocated to expanding and modernizing our domestic plant and equipment—funds which could and I think should be invested in our own distressed areas, of which there are many—funds which could and I think should be invested to provide employment opportunities for approximately 4 or 5 million American citizens who are now without jobs.

I do not think it necessary to penalize oversea operations, although the situation may get so bad that some positive, active steps must be taken to prevent or slow down the flow of capital into certain foreign countries. But it seems to me that we should now, during this session, take the necessary legislative steps to insure that taxation is at least neutral. We should at least tax foreign operations as heavily as operations here at home.

To put it another way, we should at least require payment of as much taxes on income earned abroad as upon income earned in the United States. This would not put an end to foreign investment—indeed, such would not be desirable. Such is not my goal. But it would slow down the currently rapid growth of foreign investment and insure the repatriation of sufficient foreign earnings in the years immediately ahead to be of material assistance in the balance of payments as well as to assist in the needed modernization of domestic plant and equipment.

EFFECT ON DOMESTIC ECONOMY

Many who are concerned, and who so often express that concern, about the so-called export of jobs because of the liberalization of trade restrictions and the lowering of tariff barriers will rarely stop to examine our faulty tax laws and the part they play in exporting entire factories and almost entire industries to Europe.

When we break down artificial trade barriers we promote a two-way trade which ultimately benefits and strengthens the economy of all trading nations. This is not to say, of course, that some individuals or segments of industries will not be hurt temporarily, or even permanently. A glass manufacturer, for example, may curtail his activities and his employees may be thrown out of work. But at the same time, production for export may be increased in other lines such as chemicals, machinery, electronics, and farm products. President Kennedy has recognized the domestic problems associated with increased trade and has proposed ways to deal with those problems.

But what about the factory which is lured abroad by a tax loophole? Who benefits from that? Surely our economy as a whole does not. A few large stockholders may benefit. A few insiders may profit from speculation.

A few officials with large salaries earned abroad may escape competently U.S. taxes. But our national interest is injured. Payrolls are lost. People are left unemployed. The productive potential of the country is lessened. The gross national product is lessened, and our standard of living is just that much lower.

Of course the host country benefits from our shipping industries to it. For this reason Congress may not want to discourage investment of a proper type in certain underdeveloped countries. Unfortunately, most of the private investment in such countries is in the extractive industries and this may do the host country but little permanent good. Moreover, the use of tax favors in foreign policy, even in foreign aid, to underdeveloped countries is not the best or most effective means of achieving our objectives.

Now, though, we are interested in building up our domestic economy. We still have a long way to go to reach full employment and production. We are not going to reach this goal by giving our domestic corporations a tax cut—and the fact that this tax cut is computed on the basis of certain plant and equipment purchases does not at all mean that it will influence in one iota the amount or types of such purchases—if at the same time we continue to encourage them to move overseas.

We need to stop this hole in the bottom of our economic bucket through which our economic potential is pouring to other countries. We must do this before or in conjunction with whatever other steps we may take which we hope will build up our domestic economy and improve our international economic position.

A BIG PROBLEM

Sales by U.S.-controlled foreign factories in 1960 amounted to about \$24 billion, up about 29 percent from 1957.

Our Commerce Department has estimated that expenditures for plant and equipment abroad by U.S.-controlled foreign operations will amount to about \$4.5 billion this year. How many new jobs would such expenditures, added to our normal expenditures for domestic plants and equipment, create here at home? I have no satisfactory yardstick with which to measure this, but we are surely shipping many thousands of jobs overseas every year.

What a stimulus \$4½ billion invested in new factories would provide for our distressed areas.

For example, in the State of Massachusetts, from which the distinguished Presiding Officer [Mr. SMITH] hails, there has been a relative loss of population so severe that the State is losing two of its Representatives in Congress as a result of the last census and existing law. What a stimulus would be provided for a State like Massachusetts if it received a fair and reasonable share of the \$4½ billion invested in new plant and equipment abroad.

I know that one of our national problems is the stimulation of investment in modern plant and equipment. But our

tax laws provide specific stimulus for investment in plant and equipment in subsidiary corporations abroad.

As I said earlier, there may have been a time shortly after World War II when our allies were suffering from a serious dollar shortage and it was advisable to have such a policy. But the need for such a policy ended in 1954 or 1955. But we still have the policy. Various people in and out of government are trying to make the situation worse instead of trying to correct it.

I do not know how many jobs would be involved in the investment of an additional \$4.5 billion a year in plant and equipment. I have no yardstick upon which I can rely. Former Secretary of the Treasury George Humphrey estimated that it was necessary to invest \$10,000 in order to provide one industrial job. I do not know whether that is a correct measurement or not. Therefore I shall not attempt to give any definitive answer as to the amount of stimulus in employment in the United States that would result from a similar investment in the United States.

When this subject comes up, many will invariably advance the argument that our foreign operations assist our domestic economy because of the increased sales of exports which our activities overseas generate. As in the case of most arguments, there is some truth in this one. One needs to know just how much truth there is in it. The answer is, as I see it, it is just about 10 percent true.

There are four general types of overseas investment. Each must be viewed in a different light insofar as its effects on the domestic economy are concerned. These are:

First. Sales promotion: This is the first type of foreign activity to be discussed by most of those who would defend our present lax tax laws regarding foreign operations. Those who rush to the defense of the tax status quo argue, first and foremost, that to tax foreign operations equitably would destroy this type of activity overseas and thus ruin our export business and harm our domestic economy.

A strange and baseless argument.

In the first place, this type of activity accounts for only 10 percent of our foreign direct investment. In the second place, this type of activity exists because of the profits it can promote for the factory in the United States, not for the profits the sales activity itself can earn in a foreign country. The tightening up of taxes on this small sales activity would not disturb or lower the profits of the major activity which is, after all, located in the United States.

The type of tax reform I am talking about would not harm our foreign sales activities.

I should like to promote such activity. I want to see U.S. exports increased. Sales by a foreign subsidiary of a product manufactured in a foreign subsidiary, the profits from which are not repatriated to the United States, do not in any way help our balance-of-payments problem. Indeed, the problem is only made worse. What I wish

primarily to see, and what is needed today, is an increase of exports from the United States, which would correct our balance-of-payments problem. We need an increase of about \$2 billion in exports in order to correct our basic imbalance of payments.

Second. Raw materials and supplies: This type of activity now accounts for about 42 percent of direct foreign investment. By and large, these operations do not harm the domestic economy. In fact, they are decidedly of assistance. This is where we get 54 percent of our minerals, metals, and semifinished imports. These operations ship very few jobs out of the country. These operations probably do us more good than they do the host countries.

But what is of importance vis-a-vis taxation is that these operations are not particularly encouraged by our faulty tax laws. Being in the extractive field, these enterprises are set up so as to take advantage of our very generous depletion allowances. They are, therefore, usually organized as branch, rather than subsidiary, operations and repatriate earnings annually on which they pay the regular U.S. rates, less the credit for foreign taxes paid.

The changes in the taxation of foreign operations which I am now advocating would have little bearing on the taxes of branch operations and, therefore, little effect on this segment of our foreign private economic activity.

Third. Public utilities, transportation, and banking: This type of foreign activity might be curtailed somewhat by tightening up on foreign taxation, although I doubt it. At any rate, this accounts for only 15 percent of our direct foreign investment, and this percentage is declining. These are types of activities, also, it might be noted, which lend themselves readily to nationalization.

Fourth. Manufacturing: This is the activity which hurts the United States. This is the activity which helps in an important way to create our serious problem of imbalance of payments. This is also the activity which would be most affected by tightening up our foreign tax laws.

Manufacturing already accounts for 33 percent of our direct foreign investment and is the fastest growing segment. In Western Europe 75 percent of our direct investment has gone into manufacturing—in the United Kingdom, 85 percent. It is this type of foreign investment which hurts our domestic economy and contributes to our balance of payments deficits.

Since this type of activity is usually organized as subsidiaries, and since it often is associated with tax havens, there is less current repatriation of earnings. This is where the deferral privilege, the credit, the gross-up and the tax haven sales hookup really pay off.

This is where these things really hurt the United States most. Changes in these areas of taxation would slow down—although this would not stop the movement of enterprises drawn abroad legitimately—the wholesale movement of manufacturing plants to Europe.

EFFECT ON BALANCE OF PAYMENTS

A great deal has been said about the balance of payments problem in the last 2 or 3 years. In fact, it is currently one of the more fashionable topics of conversation. I must say that it is somewhat misunderstood, even by many who are directly concerned with its solution.

As with so many other problems in this country, the balance of payments is not an absolute, but a relative, problem. There are several ways by which we might solve the problem, or at least greatly lessen it without serious damage to our domestic economy or our ability to compete in the markets of the world. Some solutions, however, are not compatible with our broad national policy.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. SPARKMAN. Before the Senator gets too far away from the discussion which he has just had about the different types of investments abroad, I should like to make a very brief comment and ask a question regarding it. I am sorry I had to leave the Chamber and was not present when the Senator completed that discussion.

Mr. GORE. I welcome the participation of my distinguished and able friend and neighbor, the junior Senator from Alabama, who is chairman of the Small Business Committee in the Senate.

Mr. SPARKMAN. I merely wish to say that I believe the Senator has performed a real service in separating the types of investment abroad and in making the comments he has made regarding them.

Mr. GORE. I thank the Senator.

Mr. SPARKMAN. When the Senator started the discussion, before he got to the 1, 2, 3, 4 spelling out of the subject, my view was running right along that line, namely, that there are some investments abroad that we want to encourage, and do encourage.

Mr. GORE. And which operate beneficially to the United States.

Mr. SPARKMAN. And operate beneficiary to both sides.

Mr. GORE. Yes.

Mr. SPARKMAN. Operate beneficiary to both sides. On the other hand, there are some investments abroad which work distinctly to our disadvantage. I will not say that they would be disadvantageous to the country in which they operate. Usually they are advantageous to that country. However, they would be to our disadvantage.

I spent most of November of last year in South America. I was there as the head of a subcommittee of the General Economic Committee which was studying the economic situation in the various South American countries that we visited, particularly with the Alliance for Progress program in mind.

It was quite easy to see that in some of these countries we did have investments made by business people of the United States that were quite beneficial to those countries. Some of them were beneficial to us also. For instance, let us consider the iron ore industry in Venezuela. It is good for Venezuela for private business from this country to be

engaged in mining in Venezuela. It is good for us to get the iron ore here.

The Senator from Tennessee has pointed out that one of the great steel centers of the United States is in my State, namely, Birmingham. Birmingham is in a very rich iron ore, coal, and limestone center. It is one of the few places in the world where all three are located in the same neighborhood, which is quite advantageous. Yet the Tennessee Coal & Iron Co., which operates its great installation in Birmingham, has found it to its advantage to import Venezuelan ore. It is richer ore than ours. By mixing it with the local ores, which are produced in Alabama, they are able to get out a better product, and really step up employment. Both sides are thus helped.

I do skip over very lightly the question of whether or not it might be better for Venezuela if it had its own steel mill down there. I do not know. I do not know what the economic factors involved are. At any rate, the Senator has, I believe, done a real service in lining up the different types of investments abroad, showing the effect that they have on our economy and on the economies of those countries. I am sure that he would advocate, in setting up a tax program, that it ought to be one that would encourage these types of investments which will be to the advantage of the economies of both countries, and discourage, if that is the right word, those tax investments that merely are perhaps running from our taxes and which are not contributing to the economy of our country, but enjoying the protection of the laws that this country has made, the protection of the conversion, that is, the guarantee of profits being able to be converted and brought back to this country, and those guarantees that our laws give, without helping to support through taxes the administration of the very laws that they enjoy. I wish to commend the Senator for the job he is doing.

Mr. GORE. I am very grateful to my distinguished and able friend. The extractive industry is not particularly benefited by the deferral provision, because, as I have said, the U.S. companies which operate the extractive industries abroad usually operate in a branch form, rather than in a subsidiary form. There are reasons for that, one of which is the very favorable depletion allowances which are available. The earnings of branch operations in the extractive field are repatriated.

It is largely through subsidiaries that the income which ought to be repatriated and taxed remains abroad and contributes so heavily to our problem of the imbalance of payments.

Many countries, on the other hand, have an absolute problem with their balance of payments. Many countries must import large quantities of important items. These may be raw materials and fuels, or they may be manufactured products beyond the capability of the local economy. Furthermore, domestic consumption must often be curtailed in order to get together enough goods for necessary exports. In such cases, there is generally a low level of gold, dollar,

or sterling reserves to fall back on. The balance of payments, then, becomes a problem which must be resolved year by year by such countries—and they are usually small countries—on an absolute basis. If the solution is not forthcoming within a year or two, the economy of the country will collapse and a political upheaval will be inevitable.

Our problem is not of this sort, as I have said. We could cut off the flow of private funds abroad through different types of controls, direct or indirect. We could reduce military expenditures overseas by bringing troops home, by bringing dependents home, or by reducing overseas purchases for their maintenance. We could reduce our foreign aid. We could refuse to allow tourists to carry dollars out of the country. We could refuse to make pension or social security payments to anyone who moved outside the country. We could reduce imports by instituting licensing controls such as those which are in force in many countries. We could raise our tariff walls so high as to prevent imports. We could increase exports immediately in several ways—by subsidies, for example.

But there are reasons, perhaps good ones, for not doing these things—at least not all at once or to an extreme degree. Steps we take along these lines must be taken with a view to the welfare of our friends and allies and to the overall strength of the West as well as to strengthen our own domestic economy.

We have taken some reasonable steps in recent years to take up some of the slack in our balance of payments. We can do more in this regard and still not damage our domestic economy and our Western allies. But certain steps are more productive of good and less productive of harm than others.

The great emphasis now is on increasing exports, and this is all to the good. There are limits to such increases, however, without also increasing imports. It would seem that we will have difficulty in maintaining a favorable balance of trade in excess of \$5 billion.

But we must find a way to reduce our balance-of-payments deficit by about \$2 billion per year. It is partly because of this problem and partly because of the unfairness of the tax treatment of companies which maintain operations abroad that the President has twice asked Congress to close these loopholes of tax favoritism. I doubt that increased exports can carry the burden alone. In my view, we could reduce our deficit by more than \$1 billion by tightening up on our taxation of foreign operations. In other words, we could cut this problem in half and provide a 50-percent solution by tightening up on the taxation of foreign operations, as the President has recommended.

Although we talk a great deal about the balance of payments, and everyone is concerned, we still do not know enough about the subject. Even our statistics are not much better than informed guesses as to what is actually going on. It appeared last year that we were doing very well—up until the fourth quarter. It is possible that there is something wrong with the fourth quarter figures.

It is just as likely that there is something wrong with the figures for the first and second quarters of 1961. We simply do not know.

There are at least two things we do know about our balance-of-payments figures. First, much of the short-term investment flow that we classify as "hot money" seems not to come back. Both the fourth quarter of 1960 and 1961 showed abnormally high flows of such funds. A lot of it never shows up as coming back—at least not in the same form. I am convinced that much of it gets overseas and is converted there into long-term investment of one kind or another. Second, it is not possible to know very much about any set of figures when such a large errors-and-omissions item is necessary to make debits and credits balance. This balancing errors-and-omissions figure for 1960 was 20 percent of the deficit in recorded transactions. In other words, we thought we knew where our deficit was coming from, but we missed it by 20 percent. For 1961 it will probably be worse. I say this, because on the basis of what we thought was happening during the first three quarters of 1961 a deficit of about \$1.5 billion was predicted—see table 17, page 149 of the President's Economic Report, January 1962. We now think the deficit was about \$2.6 billion.

In my opinion, we do not know as much about our true balance-of-payments position and what really causes it as our tables would lead one to think. I think it likely that our capital outflows of different types have been understated in recent years.

Be that as it may, we must try to analyze the situation on the basis of such statistics as we have, uncertain as they are. We do know how much gold we are losing and how much our liquid liabilities to foreign countries and international institutions are increasing. That drain is great; the problem is serious.

We do know something of the part which is being played by private overseas investment. We know something of its effect on our domestic economy as well as on our balance of payments. Many are not yet willing to acknowledge the role which is being played by the rapid buildup of U.S.-owned manufacturing facilities in Europe in the sluggishness of the domestic economy and the deficit in our balance of payments. We must examine this matter closely and take such action as is in the public interest.

One of the things which we must surely examine in this regard—and we must do it when the tax bill now before the Ways and Means Committee gets to the Senate—is the role which the taxation of income and profits earned abroad is playing, and has been playing, in the pull of dollars overseas and in the retention and reinvestment of profits made overseas.

As I have said, we do not know as much as we should about just how we stand on our investment flows. The only year for which we have any real detailed study is 1957. Unfortunately, that was an aberrant year, the year of the Suez crisis, and many of the figures developed for that year now have doubtful validity.

Furthermore, the picture has changed since then in some ways, generally for the worse.

One thing which that 1957 study by the Commerce Department did show, however, was the lag in repatriation of earnings from manufacturing activities abroad—that is, from subsidiary operations. Again I am grateful for the contribution made by my distinguished friend, the junior Senator from Alabama [Mr. SPARKMAN], because unless we identify the problem, we shall be unable to provide a specific solution. About one-half of our receipts from direct investment overseas in 1957 was from petroleum operations. Only one-fifth was from manufacturing. But one-third of our investment is in manufacturing, and the profits are said to be large—at least, it is claimed by those who are going there that the profit margin is considerably higher in Europe than in the United States. This shows conclusively, it seems to me, that earnings from manufacturing abroad are not being repatriated as are earnings from some other types of investment. One reason is that our tax laws allow deferral of taxes for subsidiaries; and this, Mr. President, is to put one's finger on the real problem. In branch form, as is the case with petroleum and mining generally, there is more repatriation. Removal of the deferral privilege should help us to repatriate more funds from manufacturing, and thus clear up a part of our payments deficit. The other, and associated, reason for lack of repatriation lies in tax-haven operations.

Last year, Secretary Dillon made a very forceful presentation, to the Ways and Means Committee, on the need for tightening up on the taxation of foreign activities. Particularly useful were the figures which he used showing the breakdown of investment and dollar flows by geographical areas and types of activities. His figures showed an absolute deficit on European operations. I am sorry to say that his presentation has been attacked on the basis of figures of an altogether different sort furnished by certain other witnesses before the Ways and Means Committee.

At a later date I shall have more to say about statistics which were used in this regard. Suffice it to say now that Secretary Dillon's statistics showed that new money going from the United States into subsidiaries in Europe and Canada alone amounted to \$655 million more than dividends repatriated from those subsidiaries during the period 1957-60. These operations, said to be highly profitable, ought to be contributing positively to our balance of payments, not creating a deficit.

SUMMARY AND RECOMMENDATIONS

Taxing the profits of subsidiaries currently will assist materially our balance of payments. It will not destroy foreign subsidiary operations; but it will slow down their rate of growth, at the expense of our own economy, in the already developed areas. It will encourage greater repatriation of dividends. It will put taxation in a position of neutrality, so that allocations of capital to enterprises at home and abroad will be

made on economic factors, rather than on consideration of tax preference.

Unless we do this, Mr. President, our tax laws provide a subsidy for the movement of U.S. industries to other countries. This has been happening for several years now. It has grown to such proportions that the problem is acute, and is becoming more so by the day.

One thing which definitely would be accomplished by the current taxation of subsidiary profits is the termination of most of the tax-haven abuses about which I have spoken many times, and about which I shall soon speak in greater detail.

I think we would do well to look seriously at the outflow of capital of all types. Some of it must be stopped, or at least slowed down. This may well require more active measures than corrections of faulty tax laws. But certainly our taxation of foreign profits and income should be tightened immediately.

The balance-of-payments situation is apt to get worse, instead of better. In fact, we may do very well to hold our present edge in exports.

Frankly, Mr. President, I see little possibility of increasing our export surplus by another \$2 billion, particularly when U.S. corporations are investing \$4.5 billion to increase productive facilities abroad, the products from which will compete with, and in many instances will replace, exports from U.S. based factories, and the products of which in other instances will, indeed, be shipped back to the United States.

Mr. MANSFIELD. Mr. President, will the Senator from Tennessee yield?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Does the Senator from Tennessee yield to the Senator from Montana?

Mr. GORE. I yield.

Mr. MANSFIELD. I wish to join my distinguished colleague, the Senator from Alabama [Mr. SPARKMAN], in commending the Senator from Tennessee for the detailed speech he is making this afternoon. Let me say that the distinguished Senator from Tennessee never fails to make a contribution when he makes a speech, regardless of the side he happens to be advocating.

In reference to U.S. companies which move overseas and initiate capital establishments there, can the Senator state, for the information of the Senate, whether some of those products, which supposedly are manufactured here in the United States, in some instances are made up of parts manufactured overseas and then cloaked with a name which gives the impression that the material is of American manufacture?

Mr. GORE. Yes, indeed. I was discussing this subject not long ago with a very distinguished publisher, and I called attention to the particular situation about which the distinguished and able majority leader has just now propounded his question. The publisher reached under the seat in the plane—we were riding on an airplane—and pulled out a small radio which bore the trade name of a well-known U.S. product, but in very fine print were the words "made in Japan."

Just a moment ago—while the distinguished Senator was momentarily out of the Chamber—I stated that yesterday I read a newspaper article in which it was stated that one of our large automobile manufacturing concerns is going to bring out a new model; but deep down in the story it was stated that the parts for the new model would be made abroad.

I also cite to the able Senator the case of the typewriter industry.

Mr. MANSFIELD. The Senator from Tennessee has anticipated my next question.

Mr. GORE. There are many instances in which virtually entire industries have been moved abroad, largely because of this preferential tax treatment of profits made abroad; and then the product is shipped back to the United States, where only a sales and service agency is maintained.

Mr. MANSFIELD. Would that apply in general to—let us say—the typewriter industry, exclusive of IBM and electric typewriters?

Mr. GORE. I believe it certainly did the last time I looked at the figures for that particular industry. I should like to have the privilege of reviewing the current situation, and then I shall be glad to state to the Senator and to the Senate what the situation is with respect to the typewriter industry.

Mr. MANSFIELD. I would appreciate that, not because of any particular interest I have in the typewriter industry, but because of the point the Senator has been driving home, not only today, but over the years, about the outflow of American capital investment for the purpose of creating manufacturing overseas, whereby articles can be produced at cheaper costs, based on labor rates, tax treatment, tax laws, and other factors. The result is that some of the companies are incorporated in other lands, but their main source of consumption or sale is in the United States.

Mr. GORE. And the source of their capital is in the United States.

Mr. MANSFIELD. Basically, yes. I am delighted the Senator is bringing attention to this matter today. I commend him for a fine speech.

Mr. GORE. I thank the Senator for his kind compliment and for a fine contribution. As I have said, I have spoken on this subject before. Our balance-of-payments deficit is one of the serious problems before the country, and one of the means of solving the problem, which the President of the United States has repeatedly recommended, is the correction of the lax tax treatment of income earned abroad. This would be done by elimination of the deferral privilege, by correcting tax haven abuses, by eliminating the utterly indefensible provisions by which the income of an individual American citizen earned while in residence abroad is tax exempt, and by changing the estate tax provision by which real estate owned in a foreign country is completely exempted from the U.S. estate tax.

These are loopholes of tax favoritism that operate adversely to the public interest of the United States. They help

create a very serious problem, and I hope we can provide correction at least when the bill reaches the floor of the Senate.

Capital outflows seem likely to increase under current circumstances. Last year, it has been estimated, U.S. companies started 653 new businesses overseas and spent \$4.5 billion on new plant and equipment. This means that there has been a large capital outflow; and a large capital outflow, let me remind the distinguished majority leader, at the same time the U.S. Senate was passing a bill to try to bring about employment opportunities to distressed areas in the United States.

Too, our exports are directly and adversely affected. Among 75 large companies having substantial foreign sales, only 36 percent of the goods sold abroad by these companies in 1950 was produced abroad in their foreign plants. In 1960, the percentage of products sold abroad which was produced abroad by these companies amounted to 68 percent. So the situation is getting worse year by year, and rapidly. Each year these foreign manufacturing subsidiaries of U.S. corporations eat away a little more of our export market, and each year they increase imports to the United States which multiply the difficulty.

There are many signs to indicate that our U.S. products are being pushed out of foreign markets by goods produced abroad by foreign subsidiaries of our own corporations, not priced out of foreign markets, as we so often hear alleged.

In this connection, Mr. David H. Conklin, assistant general manager of the international department of Du Pont, said last November:

We'll be happy if our exports remain level next year. Sales of our oversea operations, on the other hand, are expected to go up considerably.

The jobs lost here at home and the resultant stagnation of our domestic economy flowing from these operations should be of concern to all of us.

It would seem obvious that some steps must be taken to slow down the outflow of dollars and gold, particularly into manufacturing facilities in Europe and other developed areas. This slowdown can be best accomplished, in line with our traditions of free enterprise and a minimum of Government direct interference with business, by tightening our tax laws which act now as an incentive to foreign investment in preference to plant improvement and investment at home.

In addition to taking steps in the tax field, we may need to take more positive action to control the flow of "hot" money. We cannot forever continue to run up domestic interest rates and wreck our domestic economy in the vain hope of convincing jittery foreigners and our own sharp operators that they should leave large deposits in New York. This is too much of a sacrifice on the part of all of our people to benefit a relatively few without providing any solution of the problem whatsoever.

At any rate, in the field of taxation, the Congress should adopt the following changes in our taxation of foreign operations:

First. The deferral privilege for subsidiaries should be terminated. Such

organizations' profits should be taxed currently just as our own businesses at home pay taxes currently.

Second. The gross-up provision should be rectified so that a deduction is not allowed, in addition to the credit for foreign income taxes.

Third. All income earned by tax haven operations should be taxed currently. This would tend to stop tax haven abuses. At the same time, companies legitimately located in tax haven countries would be at no disadvantage as compared with companies operating and located in countries having a tax structure more nearly like our own.

Fourth. The income of individuals earned abroad should be taxed just as such income earned here at home is taxed. Why should a citizen have less responsibility for his country's defense and welfare because he is temporarily abroad?

Fifth. Improved reporting of oversea activities by American interests should be made compulsory.

Sixth. Foreign taxes paid should be treated as deductions from taxable income rather than credits against U.S. taxes.

I am grateful for the opportunity to address the Senate and I hope Senators will give these matters the serious study they merit. At a later date I shall speak further on additional aspects of the taxation of foreign operations.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CHURCH. I wish to join other Senators in commending the distinguished Senator from Tennessee for the very brilliant analysis he has just presented. He seeks a most reasonable objective—that our tax laws be so revised as to implement important public policy.

I think we are remiss in so many ways in our failure to see to it that our tax laws act as an inducement toward the realization of sound public policy, rather than as a detriment.

I remember when the distinguished junior Senator from Alabama [Mr. SPARKMAN] proposed a most material change in the corporate income tax; that is to say, he proposed a graduated income tax for small corporations to help preserve small business in an economy that is rapidly moving toward giantism and the extinction of small business.

Another objective to be served by the proposal of the distinguished Senator from Alabama would be to promote the growth of small business, as well as to combat the trend toward giantism in our economic affairs.

I have been concerned, on another front, about the extent to which political campaigns in America are becoming polarized about big labor and big business, because of their large contributions, and the degree of our general dependence upon such contributions at election time.

Certainly, our tax laws could be modified to provide a suitable inducement to the small contributor, in order to expand the base of responsibility that all citizens have in supporting the election process. Again and again, it has been proposed that our income tax laws

should provide for deductions of up to \$100 from taxable income of individual citizens of modest means who contribute to candidates or the party of their choice. This provision is badly needed as an inducement in our tax laws toward a sound public policy.

This afternoon, the distinguished Senator from Tennessee has come forward with an analysis of how our present tax structure creates an impediment in the very effort we are currently making to rectify the serious deficit in our balance of payments. Clearly he has pointed out how appropriate changes in our tax laws could go far toward restoring a favorable balance of payments.

I think the Senator is to be warmly commended for having made a most significant contribution this afternoon. I hope all Members of the Senate will read it. I hope it will be considered in the Treasury Department and in the Administration, and that this might be the first step toward the correction of our tax laws in an area where repair is sorely needed.

I commend the able Senator from Tennessee for doing what he so often does—rendering high public service.

Mr. GORE. Mr. President, I am very grateful for the generous remarks of my distinguished and brilliant young friend the junior Senator from Idaho. I am even more grateful for his recognition of this problem and his willingness to contribute to its correct solution. As the debate has proceeded this afternoon, I believe it is clear to see that more and more Senators are becoming concerned about the problem and interested in bringing about an equitable solution.

Once again I thank my distinguished young friend, the junior Senator from Idaho.

CENSORSHIP OF ANTI-COMMUNIST STATEMENTS BY MILITARY LEADERS

Mr. THURMOND. Mr. President, the subject of censorship of anti-Communist statements by our military leaders has proved very interesting to the American public, as has been evidenced by the vast amount of correspondence which I and others have been receiving on Capitol Hill. It has also attracted a sizable amount of comment in the press. I ask unanimous consent to have printed in the body of the RECORD several articles and editorials on the subject of this important investigation by the Special Preparedness Subcommittee of the Senate Armed Services Committee.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the Greenville News, Feb. 9, 1962]

STRANGE DELETIONS MADE BY GOVERNMENT CENSORS

(By Holmes Alexander)

WASHINGTON.—It isn't true, of course, that the Kremlin has been able to appoint the small number of persons at the Defense and State Departments who act as censors of military books and speeches. But a man from the moon who did not know this, would be mighty suspicious of the deletions which are being gradually read into the record of the Stennis subcommittee hearings.

Using only quotations which have been cut from, or used to soften, high-level military utterances, the man from the moon could construct a weird story of America's military reaction to the cold war.

If an attack on our country occurs, it will not be by the Communists, since both quoted phrases were deleted by the State Department from the address of an Air Force officer.

It was not true, as recently as June 4, 1961, that "Russia and Red China * * * espouse revolution, by subversion or by violence," for these terrible words were stricken from the testimony of an admiral who was appearing before the House Foreign Affairs Committee. It would have to be assumed by the man from the moon that Congressmen weren't supposed to hear such things.

Lt. Gen. Arthur Trudeau, a pretty mature man in his fifties, once assistant chief of Army intelligence, presently chief of Army research and development, and a corps commander in Korea, must have been imagining things (thinks the M-from-the-M) because in September 1959, the State Department didn't want Trudeau to say:

"Surely we want peace, but at the same time, until the fist is unfolded, we must remain prepared for the worst. Henry Kissinger pointed out the other day that 'The cold war is not the result of a misunderstanding between our leaders and those of the Soviet Union. It is the product of a conscious Soviet policy.'"

These are only a few of 12 examples which I could cite of seemingly conscious efforts to abolish the Communist conspiracy by censorship. Turning to another phase of the eerie, American brainwash (which, thank heaven, we don't do very often or very well), the censors have laid down a blue pencil blitz against the idea of American victory in the cold war. The man from the moon would have to conclude from the following examples, that:

Americans have a new motto: "Never say win." An Army general was gagged as recently as last April 1961 when he tried to urge that we "emerge victorious" during the 20th century. He was told to say "achieve our goals." While permitted on a subsequent occasion to mention "the godless ideology of communism," he was not allowed to pursue the indictment by accusing the Kremlin of following its own special brand of Russian imperialism to enslave freemen everywhere, or to denounce coexistence * * * a fatal disease.

Americans don't want to win any war, even a cold one. This was illustrated when a military leader was recently forbidden to exhort American citizens "to place the interests of our country first" and to declare that "either totalitarian communism will prevail or the freedom of the West will expand."

These are only smatterings from 19 examples on my desk of military men having their mouths washed with soap for saying "victory" or its equivalent.

Here in America we are wiser than the man from the moon. We know that our policymakers and censors aren't Kremlin men. We have every faith that Presidents Eisenhower and Kennedy, with knowledge far beyond our own, know what they're doing.

But this is a society of public opinion. And pretty soon, the President will have to justify this strange policy—or change it.

[From the Shreveport Times, Jan. 27, 1962]

McNAMARA BARS TESTIMONY

Secretary of Defense McNamara has ordered Defense Department personnel not to disclose which censor handled what speech or article by Pentagon or military officials. The order replies directly to testimony before the Stennis Senate subcommittee investigating muzzling of the military. Secretary McNamara refused last summer to give

such information to another congressional committee.

This is certain to cause a rumpus in Washington, for the identity of some of the State Department and Defense Department censors is exactly what Senator STRAUSS THURMOND and some others want to bring out. The testimony of admirals and generals who already have appeared before the Stennis committee has included implication that civilian underlings far down the line in Cabinet department authority, military majors, and others perhaps lacking experience, have been permitted arbitrarily to delete criticism of communism from speeches by the military.

The issue here is not policy review of speeches but endless deletion of criticism of communism when American policy is anti-Communist. Who keeps deleting such criticism is important.

The Defense Secretary contends that "it is not appropriate that specific individuals shall be charged with responsibility for specific deletions from speeches and articles, when those individuals are acting under policies for which my senior associates and I must assume responsibility"—the quotation being from his official order.

In other words, Mr. McNamara insists, as do many officials in both public life and private business, that a top official always must assume responsibility for what takes place under his authority.

No one is likely to question the Secretary's authority to issue such an order and make it stand up. Nor is it likely that any committee would want to set a precedent of bucking a Cabinet member or the President in such a matter.

On the other hand, there has been testimony from the military that when an officer's speech is censored with no reason for the censoring obvious to the officer, he should have a right to know who is telling him what to say or what not to say. And if there is anything in the background of any of the censors indicating censoring that has nothing to do with national security or national policy, it might be well to bring it out.

In the Defense Department, Arthur Sylvester, formerly a Washington correspondent for a Newark (N.J.) newspaper, is Assistant Secretary of Defense for Public Affairs. Presumably, censoring comes under his Department. The Deputy Assistant Secretary is Mills Lennartson. These two are presumed to be the senior associates to whom Secretary McNamara referred. There are various underlings below them.

In the State Department, Roger Tubby, a small-time ex-newspaperman who had a public relations job in the Truman administration, is Assistant Secretary of State for Public Affairs. The Deputy Assistant Secretary for Public Affairs is the Negro, Carl Rowan, who recently was reprimanded publicly by Undersecretary of State McGhee for a speech Rowan made on the Congo.

It has been published in Washington that Mr. Sylvester and another Defense Department official of lesser rank "engineered" the case against Major General Walker which resulted in removal of him from command of the 24th Infantry Division in Germany, and his later resignation from the Army. It also has been published that Secretary McNamara reportedly was trying to trade Mr. Sylvester off to some other Cabinet Department to get rid of him. Mr. Sylvester has been a controversial figure in other matters. But at the moment, Secretary McNamara obviously is standing solidly behind him.

[From the Kalamazoo Gazette, Jan. 24, 1962]

AMERICAN IRON CURTAIN IDEA IS ABHORRENT

Clarification is, perhaps, the most we can expect from the current hearings before a Senate Armed Services Committee on censorship of speeches by military officers.

The process of clarification and, perhaps, an amplification in the public mind of a military tradition of long standing in our forces was well begun as the hearings opened.

Former President Dwight D. Eisenhower certainly was the right man to set the stage and put the whole question into the right perspective. He is intimately familiar with both sides of the picture—as a career officer who rose to top command, as civilian Commander in Chief.

His assertion that officers have a role to play in alerting the Nation to the dangers of communism and that they should not be "thrust behind an American iron curtain" should set the tone for the proceedings.

The tradition that American officers stay out of politics is a good one.

We have seen what happens when military leaders, as such, get into the political arena. Robert A. Lovett, former Secretary of Defense and a Republican who also served as Under Secretary of State in the Truman administration, pointed to the problems of unhappy France.

But in a very real sense the matter before the subcommittee is, as Mr. Lovett said, a straw issue, since, as he rightly stated, military leaders in the United States do not challenge the principle of civilian control.

We believe that every professional officer understands this principle.

It does not deny the officer's citizenship, his right to vote, his entitlement to hold his own opinions. But his is a fulltime job, 24 hours a day. He is never off duty. He cannot take public issue with his superiors, civilian or military, without risking danger to the discipline of the organization in which he serves.

On the other hand, an officer would be remiss if, seeing a clear and present danger in the communism which Khrushchev says will bury us, he failed to speak up. This is not the same thing as interfering in domestic politics. It is a far cry from what has been happening in other armies where officers have organized military coups and led revolts against their governments.

Adm. Arleigh A. Burke, former Chief of Naval Operations, put it well when he said that officers have a proper and moral right to speak out against communism if they avoid purely partisan politics and respect civilian controls. Every military man he knows, he said, would agree that partisan politics is off limits.

That would include such persons as former Maj. Gen. William A. Walker who, when he wanted to say things he could not say in uniform, resigned his commission. We felt at the time, and we still feel, that he took the proper course of becoming a civilian with all a civilian's freedoms and prerogatives.

The current hearings should clarify this nonpolitical tradition for nonmilitary people. They may go beyond that to disclose whether the civilian leadership at the Pentagon has overstepped in prior censorship of speeches, and whether top officers did or did not violate either the written or unwritten law that governs their public utterances.

[From the Shreveport Journal, Jan. 27, 1962]

LET THE MILITARY SPEAK

"Those of us who over the years have had to deal directly with the Communist leaders and system believe—unanimously, I think—that the more our people can be brought to comprehend the all-compassing nature of the threat, the stronger will be our determination to preserve freedom at home, and the greater will be our national willingness to sacrifice to advance freedom throughout the world."

General of the Army Dwight D. Eisenhower, drawing on his lifetime experiences,

thus revised his own warning, in his farewell address as President, against the influence of the military-industrial complex. For, in a half century of national service, he said he had met no budding Rasputins or Napoleons. And he recalled that the three major modern dictators—Hitler, Mussolini and Stalin—were civilians.

General Eisenhower offered his observations to the Special Senate Armed Services Subcommittee investigating the muzzling of military officers. The memorandum written by Senator J. W. FULBRIGHT, Arkansas Democrat and chairman of the Foreign Relations Committee, calling for restrictions on military participation in public seminars; the publicized censorship of speeches by Adm. Arleigh A. Burke while he was Chief of Naval Operations and the admonishment of former Maj. Gen. Edwin A. Walker for his troop indoctrination courses provide the background for the hearings, which have been brought about through efforts of Senator STROM THURMOND, of South Carolina.

By virtue of their experience, mission and educational system, General Eisenhower said the military is singularly well trained to provide the public, as well as the members of the Armed Forces, with the implications of the extreme threat of Communist imperialism. He urged that nothing be done to impair their opportunity to speak out on public issues, always under proper established policies and the general—not petty—supervision of their civilian superiors.

The subcommittee will hear many witnesses, pro and con. But General Eisenhower's statement—that telling the stark truth about communism is the best way to make our own citizenry and other people appreciate the blessings of liberty—goes to the heart of the problem. The danger is real. The men trained to fight it certainly should be permitted to mobilize public opinion against it.

[From the Chicago Daily Tribune, Feb. 10, 1962]

A DEFENSE REJECTED AT NUREMBERG

President Kennedy has invoked the doctrine of Executive privilege, dating from 1789, in the Senate Armed Services Subcommittee's investigation of military censorship. The President thus provides a cloak to shield Secretary of Defense McNamara from the subcommittee, and the Secretary finds enough folds in the cloak to shield both his own staff of censors and the State Department's similar staff.

Mr. McNamara and his chief censor, Willis D. Lawrence, have declined before the subcommittee to identify the particular censors who made specific deletions from some hundreds of speeches and statements of high military officers which were blue-penciled. The subcommittee has voted without dissent that Secretary McNamara has no legal right to direct witnesses under his supervision to withhold answers.

Defense Department censors have said that, whatever policy considerations governed the application of censorship, the standards were set by the State Department. The subcommittee believes that the Defense Department's reticence is intended to provide a precedent so that the State Department need not explain its outlook and reasoning.

The inquiry so far has disclosed a tendency by the censors to excise any harsh remarks about communism or any statements tending to assert that the United States is in a fight for survival against the drive for Soviet world domination. The censorship of such references has, of course, been arbitrary, but it has also been capricious, picayunish, and inconsistent.

The Executive attempt to shield individual censors from the obligation of explaining their deletions and suggestions for

alterations may stem from the fact that there is no coherent set of rules to apply, simply because there is no coherent foreign policy which the administration follows and does not want prejudiced or embarrassed. The net effect, however, is to disclose an extremely solicitous administration disposition not to offend Communist sensibilities.

Mr. Kennedy, of course, is doing no more than Mr. Truman and Mr. Eisenhower did before him. In 1947, when he was confronted by the imminent probability of an investigation of Communist penetration of the New Deal with the advent of the Republican 80th Congress, Mr. Truman issued an Executive order to hamstring such activity to the best of his ability. Mr. Eisenhower did the same when the controversy between Senator McCarthy and the Pentagon was at its height and there were indications that a White House strategy meeting had outlined a campaign to "get" the Senator.

Mr. Kennedy, however, was on shaky ground when he said at his news conference that he could not agree to the "harassment of individuals who are only carrying out the policies dictated by their superiors." He thus invokes the doctrine of superior orders as a proper defense although this doctrine was disallowed at the Nuremberg and all other war-crimes trials as a legitimate defense when offered in behalf of accused enemies. An American Supreme Court Justice, sitting as a judge at Nuremberg, joined in denying the validity of the protection now invoked by the President.

In all this we see no issue of maintaining civilian control of the military. The issue does not lie between the Executive and the military. It lies between the Executive and the legislative branch, which is conducting the investigation and has commanded the testimony. In this constitutional no man's land, we see small possibility for resolution of the dispute. Mr. Kennedy must suffer any injury resulting from his reluctance to be frank with Congress. Congress will probably have to settle for less than the full facts.

TEXT OF LETTER FROM AFA PRESIDENT JOE FOSS TO SENATOR JOHN C. STENNIS, CHAIRMAN OF THE SPECIAL PREPAREDNESS SUBCOMMITTEE OF THE SENATE ARMED SERVICES COMMITTEE

DEAR SENATOR STENNIS: In response to your letter of January 16, the Air Force Association is pleased to furnish herewith its views regarding military activities in cold-war education, which your subcommittee is investigating. We address ourselves to the following specific areas of interest as requested in your letter:

The proper role of the military in national security affairs:

This role has remained essentially unchanged during the 174 years of this Republic's existence. The Constitution of the United States makes abundantly clear the principle of civilian control over the military, a principle which has never been successfully or even seriously challenged in our history. Traditionally the military has been an instrument of national policy, with no direct responsibility for its final formulation. This is as it should be.

On the other hand, the military does have an obligation to participate in the formulation of national policy through the statutory role of the Joint Chiefs of Staff as principal military advisers to the President, the Secretary of Defense, and the National Security Council. While acknowledging that final policy judgments must be made by our civil leaders, we reiterate our belief that, in the interest of wisdom and prudence, full weight must be given to military advice and counsel in matters pertaining to national security.

We hear assertions that the military is going beyond its constitutional role and usurping policy formulation privileges. We

find no evidence of this. This Nation has no history of military coups, juntas or mutinies, and there is no indication of any such future threat. Indeed, with civilian control of the military stronger than ever before, the subcommittee might profitably examine the extent to which professional military advice is being considered in making national security decisions.

The problem remains, however, of defining the extent to which military men should be permitted to voice publicly their personal professional opinions. The borderline between legitimate public expressions on essentially military matters and public disagreement with stated national policies is a fuzzy one, and your subcommittee would perform a great public service if it could contribute to clarification of that line. We do not wish to see generals and admirals engaging in partisan politics. But barring them from public discussion in the field of strategic concepts would be equally tragic.

New strategic concepts and doctrine must emerge if our military forces are to keep pace with technology. These new concepts can best emerge if openly proposed and debated by the experts. Likewise, new ideas must be evaluated and tested, largely through professional writing, public speeches, and open discussion. Only in this way can all considerations be brought to light and sound ideas obtain acceptance and support.

Forbidding professional military people to discuss national security concepts would stifle thought in this area by those most qualified to contribute, and this at a time when the threat to security is greater than ever before. Further, the search for new concepts has attracted the attention of numbers of civilian experts who have no hesitation in making their views known and no restrictions on doing so. Their contributions are often useful but only if measured against professional expertise with regard to the actual implications of their adoption.

If the military is denied the right to comment on or challenge the views of civilian experts the country will come to look to nonmilitary sources for guidance on basically military matters. The freedom of professional discussion of purely military concepts must not get lost in any effort to suppress undesirable political statements and activities of military personnel.

The adequacy of troop information and education:

The Air Force Association keenly believes that additional effort in this area is desirable and passed a resolution at its latest national convention to that effect. We reserve judgment, however, as to the adequacy of present and planned programs, in the light of the study currently being conducted by the committee appointed by the Secretary of Defense.

Participation of military personnel in national security seminars:

Free and open discussion is an essential element of democratic government. National security seminars can make a great contribution to better understanding by the military man of his mission. There is no reason to discard this educative tool because the technique has been subverted in a few isolated instances to promulgate partisan political views.

Proper use of military personnel in educating the American public to the dangers of the cold war menace:

Broad public understanding of the nature of the threat to national security is basic to the support of programs necessary to safeguard this Nation against the threat. Military personnel can contribute much to such understanding. Their public utterances must be subject to reasonable security and policy restrictions, it is true. Pentagon censorship is neither new nor necessarily evil. But it is clearly wrong to censor material which is not in conflict with national policy

as publicly enunciated by our civil leaders. If such material is censored, then one might logically conclude that national policy as publicly enunciated differs from national policy in fact. Widest latitude should be given to the free play of ideas. The burden of proof should rest on the censor, not on the military speaker or writer. Capricious and arbitrary use of the censor's pencil is a hallmark of totalitarianism and has no place in a democratic society.

Sincerely,

JOE FOSS,

President, Air Force Association.

[From the San Diego Union, Feb. 8, 1962]
RESPONSIBILITIES DEFINED—SOUND ADVICE
FROM VFW CHIEF

The proper relationship between the Nation's military and the administrative and legislative branches of Government has been definitely and astutely outlined by Robert E. Hansen, commander in chief, Veterans of Foreign Wars of the United States.

The Special Preparedness Subcommittee, Senate Committee on Armed Services, requested Mr. Hansen's views on such matters as the role of the military in national security affairs; adequacy of troop information and education, and the participation of military personnel in national security seminars.

Mr. Hansen reminded the subcommittee that efforts to lodge greater control of the military within the executive branch is an effort "so alien to our form of government as to contain the seeds of the destruction of our constitutional system and concepts." It is the duty of Congress alone, he said, to insure against changes, organizational or otherwise, that eventually would erode the constitutionally established civil-military relationship.

"The wisdom of Congress in this regard never has been more apparent," Mr. Hansen continued. "Nowhere has this been more true than in the operation of the Joint Chiefs of Staff system. Attacked constantly as command by committee * * * it has, in fact, served consistently as the means to bring broad and all-inclusive military advice to the highest levels of government. In continuing the Joint Chiefs of Staff system, Congress has provided the single most important means to solving one of the eternal problems of a democracy—how to be militarily strong without becoming militaristic."

Mr. Hansen wrote forcefully against the Defense Department's attitude toward education of troops, particularly to restrictions on the showing of the documentary film, "Operation Abolition," in the training program of the armed services.

"The Veterans of Foreign Wars cannot understand why U.S. citizens can inform themselves as to the techniques and dangers of communism by seeing 'Operation Abolition' in their own school, church, or other community activity, while at the same time the young men who serve in our Armed Forces, which are maintained largely for the purpose of resisting communism, are deprived by official directive of the opportunity to see this historically important film as part of the troop information and education program."

He proposed also that the Defense Department should issue a clearly written, specific directive that would enable military leaders to participate in national security seminars.

Mr. Hansen's statement was not presented on his behalf alone. It reflects the thinking of 1,300,000 oversea combat veterans. The recommendations are sound, based on long experience of the men who comprise one of the world's greatest veterans organizations.

By heeding Mr. Hansen's proposals, the Senate group would be acting in the best interests of all Americans.

[From the New York Herald Tribune, Feb. 10, 1962]

DON'T STIFLE MILITARY INITIATIVE

(By Gen. S. L. A. Marshall)

Anyone who views the Senate inquiry into the muzzling of the U.S. military as a time-wasting performance by several battalions of governmental big hats is invited to take another look.

While it is true that the Senator from South Carolina started with the hope that he would harpoon the White Whale and thus far has been casting bent pins after minnows, he should not be unhappy wholly about the catch. Several points of great consequence have been established about the murky waters in which he fishes.

First, his investigation has proved beyond a doubt that generals and admirals in the Pentagon would be well advised to discharge their present corps of speech writers and start afresh. Most of the time they are not saying anything. Most of the phrases which have been carried out of the manuscripts which other hands contrive for them are remarkable only for their triteness and their almost meaningless generalizations.

Second, the so-called censors of the Pentagon are afflicted by overinflated egos and need to be given fatherly advice. The stuff they blue-pencil is not dangerous, but merely badly done, and they do not make it any better by their smalltown editing. They perform as copy handlers not as guardians of a national policy.

The absence of anything explosive, bold or particularly enlightening in what was blue-penciled is more eloquent of a dubious condition in the Pentagon than all of Senator STROM THURMOND's bellowing about it. Nothing thus far revealed would even faintly suggest that the top military people are reckless, unworthy of trust by their political superiors or deserving to be nursemailed like a flock of children. On the contrary, their public utterances are so bland, so innocuous as to indicate that they and their ghost writers work in fear of running afoul of higher authority.

Is it good? If conformity is the final test of all virtues, well then, yes. Civilian control, if it tries hard enough, can convert all chief military subordinates into an echelon of yes-men, incapable of voicing strong objection even when conscience tells them that taking a stand in opposition for the sake of the Nation is a duty. It is not to the credit of so many of the chiefs that they parade to the witness stand and obediently concur with what is being done. The one notable exception is Lt. Gen. Arthur G. Trudeau.

Just what are the others talking about? By their words of approval, they are helping to scuttle almost two centuries of a strong, free national tradition. The American military has never been suppressed in this manner. It was taken for granted that honor and judgment attended high military responsibility. Now the chiefs respond like trained seals who live by the rule that tenure and getting along with the bosses are more important than all other values.

When high commanders accept unprotestingly a curb imposed on freedom of expression in their public relations, they will ultimately become just as pliable, just as neutral in the councils where major questions of strategy, armament, and force levels are debated behind closed doors. It is impossible to gag the mouth without dampening the spirit.

There is a larger consideration. The Nation has never been in as great danger as now. To survive, there must be a strength-

ening of national spirit. And do we expect to work miracles of reform by stifling the military voice while leaving it to the figures in civilian control to set and maintain higher standards? They come and they go as political opportunity presents itself. Only in the military is there lifetime service to the established national ideals.

To get back to fundamental principles, let us look at a few passages from the combined services' manual on field censorship, published in 1954, but written in 1949.

"The United States is served by a free press and its Constitution insures to the people that this freedom will be maintained. It is a basic right, as greatly cherished by the citizens of the Nation as are freedom of speech and freedom of religion. In protecting these rights, the interests and obligations of members of the armed establishment are identical with those of all other citizens.

"Censorship is always a strain on mutual confidence and good will between the armed establishment and the people. When censorship is applied by the military, the people are suspicious that its authority may be misdirected toward the covering up of blunders, waste, and general incompetence. This has occasionally happened and in every instance it has been an abuse of power."

Either these words are pious platitudes never meant to be taken seriously, or the admirals and generals are wrong in lauding a censorship which is wholly alien to the guiding philosophy.

[From the Augusta (Ga.) Chronicle, Feb. 9, 1962]

AN ABUSE OF THE PRIVILEGE

The historic doctrine of executive privilege, employed by U.S. Presidents from Washington to Eisenhower, is a legitimate instrument for protection of the rights and privileges of the executive branch of Government. But like any other instrument of power, it contains destructive as well as constructive potential; it has improper uses as well as proper ones.

To us, President Kennedy's invocation of the doctrine clearly represents an abuse of the executive powers vested in him. The doctrine of Executive privilege is designed to aid members of the executive branch and to serve the best interests of the Nation. Mr. Kennedy's employment of the doctrine does neither.

Through the President's claim of privilege and Senator STENNIS' acceptance of it, the identity of Pentagon censors who deleted specific sections of military speeches apparently will be kept secret. But this will not protect the censors. Rather, as Senator STROM THURMOND pointed out, it will create more public suspicion about their actions.

As matters stand now, the censors' inclination to soften references to communism remains unexplained. It obviously has no relation to national security, and it should have no foundation in the policies of the Federal Government. Defense Secretary McNamara's attempt to shoulder the entire responsibility for censorship is a noble gesture, but it hardly explains the pattern of toning down criticisms of communism and Communists by military leaders.

As the Chronicle said earlier this week, the Senate subcommittee must have names of persons responsible for questionable deletions if it is to perform the task it has been assigned.

We regret that Senator STENNIS has honored the plea of executive privilege in this instance. We would like to see Mr. Kennedy's use of the doctrine overruled and tested in court. If it is not, abuse of the Executive privilege may become another powerful weapon in the hands of an administration bent on widening the authority of the White House at the expense of Congress.

[From the New York Times, Feb. 11, 1962]
POWER IN THE PENTAGON—DEFENSE SECRETARY'S GROWING AUTHORITY IS CALLED FACTOR IN CLASH WITH CONGRESS

(By Hanson W. Baldwin)

Growing centralization of power in the office of the Secretary of Defense formed the background for the clash between the executive and legislative branches of Government last week.

The Special Senate Preparedness Subcommittee provided the forum. The subcommittee, investigating the censorship of speeches of military officers, refused to accept a plea of Executive responsibility for withholding the names of censors who edited specific speeches. It did, however, accept a plea of Executive privilege.

Executive privilege, the right of a President and, on his orders, his official family, to withhold from Congress information pertaining to the operation of the executive branch, has been invoked many times from George Washington to Dwight D. Eisenhower. As Senator JOHN STENNIS, the subcommittee chairman, noted, the courts have never rejected this plea.

On the other hand, the concept of Executive responsibility, if accepted, would have established a precedent—another reason for secrecy—in the eyes of Congress, could mean additional erosion of its legislative powers, and particularly its ability to get the facts and to exercise its constitutional right to raise and maintain armies.

THE CONCEPT DEFINED

"Executive responsibility," as defined by Secretary of Defense Robert S. McNamara, means loyalty down—the acceptance of responsibility on the part of top executives for the actions of their subordinates.

Mr. McNamara took the position that if mistakes were made in censoring specific speeches it was his responsibility, that he should be questioned and blamed—not the subordinate who did this actual editing. But the Senate subcommittee, stressing the legal aspect, contended that only the invocation of Executive privilege—the right of the executive departments to cloak their privileged operations in secrecy—would be acceptable.

The difference is of major constitutional importance, particularly in view of a long-term trend combined with recent developments in Washington. The long-term trend has been the tremendous expansion in size and power of the executive branch. Moreover, changes in Defense Department organization and procedures of the last decade, particularly those made by Secretary McNamara, have tended toward greater and greater centralization of power in the hands of the Secretary of Defense.

The two trends have resulted in a reduction in congressional power compared with executive power. It has also led to a reduced capability on the part of Congress to supervise the Defense Department and the armed services. Some observers believe these trends are endangering the constitutional authority of Congress to "raise and support armies . . . to provide and maintain a Navy . . . and to make rules for the Government of the land and naval forces."

A paper that specifically addressed itself to the constitutional issue involved was filed with the subcommittee last week just before the denouement between executive and legislative branches. The paper was the statement of Robert E. Hansen, commander in chief of the Veterans of Foreign Wars. It dealt at length with congressional powers over the Armed Forces.

Preservation of strong congressional authority over the military is essential, Mr. Hansen emphasized, to adhere to the "fundamental constitutional principles of civil

control of the military." Mr. Hansen traced the division of powers and checks and balances established in the Constitution, and noted they provided for "a partnership of the executive and legislative branches with respect to national military policy." He contended, quoting the late Chief Justice Charles Evans Hughes of the Supreme Court, that "ultimate control" of the military resided in Congress.

"Congress provides," he said, "the Presidential commands."

The dangers of external threats greater than ever before have tended to upset this balance, he said, quoting Alexander Hamilton:

"To be more safe, they [the people] at length become willing to run the risk of being less free."

The nub of Mr. Hansen's argument was the contention that "the Defense Establishment must be so organized as to serve and perpetuate the constitutional concept of civil control. Defense organization must facilitate at the national level the jointure of civilian judgment and direction with broad, professional military advice."

JOINT CHIEFS SYSTEM BACKED

Mr. Hansen strongly supported the present Joint Chiefs of Staff system and strongly opposed various suggested changes to it, including the separation of the Joint Chiefs from their services, or the establishment of a single superchief of staff.

"Professional military leadership must have the fortitude and the opportunity to present advice on military matters to both branches of the civil authority—with vigor and with candor. If Congress is to be adequately informed, there must be no arbitrary restriction upon the testimony of responsible military leaders appearing before its agencies."

Organizational centralization in the Pentagon has fostered an increasing tendency toward such restriction. Moreover, Mr. McNamara and his civilian associates have more and more undertaken to be the spokesmen for the services. As a result many in Congress, already disturbed about their inability to analyze the huge Defense Department, are worried about their access to frank opinion and detailed information.

Among some Congressmen, the issue is not one of making headlines, of witch hunting, or of partisanship. It represents a key constitutional problem involving the partition of powers the checks and balances on which our Government was founded.

[From the Nashville Banner, Feb. 8, 1962]

PUBLIC STILL WANTS FACTS—PRIVILEGE DOESN'T ACQUIT OF GAG ACCOUNTABILITY

The President and his Secretary of Defense may be upset by recurring signs that the Senate Armed Services subcommittee will not leave that service gag undisturbed—and Mr. Kennedy's petulant remarks at his press conference yesterday so indicated. But they are far off base if they suppose that invocation of "Executive privilege" to block the inquiry will terminate public concern about "who did what, and why" in censoring out of military speeches remarks factually critical of communism. The same applies to the State Department, as well as the Pentagon.

This is no ordinary case of bureaucratic monkey business, to be lightly dismissed or casually whitewashed as a harmless indiscretion. If the freak treatment accorded informative statements, for troop indoctrination or otherwise, was the doing of individual idiosyncrasy, both the Senate and the country wants to know the identity of the individual thus recklessly assigned. And if the group performance of an act contemptuous of public intelligence was a dictated "policy," the Nation is properly concerned about that policy.

Whichever it was, the American people are entitled to know why it was done.

Senators digging for the facts are not the only ones discomfited by the idea that such could be policy—the purblind delusion that by ignoring the facts of communism, or eliminating references to them in public discussion they either would be altered, or go away. If that is the policy concept, the policymakers are in a vital business beyond their depths.

Granting that the blue pencil was used by underlings, that certainly does not excuse either frivolity or mischief in the exercise of such weighty assignment. Nor will it be rectified by the disowning of responsibility—or the coverup device of shielding it by refusal to testify.

The Senate Armed Services subcommittee recognized the glaring facts of this episode in stupidity. It is properly concerned to find out the reasons behind it. It has a responsibility to investigate, by calling witnesses and asking pertinent questions.

The picture of what went on in the censor room (State or Defense)—how, why, and by whom—hasn't made any prettier by Executive and departmental determination to draw the curtain across the area of record, and excuse reckless asininity on grounds of "privilege."

[From the Chicago Daily Tribune, Jan. 28, 1962]

WAR IS DIRTY WORD WHEN A CENSOR SEES IT—NIKITA GETS STRANGE SORT OF PROTECTION

(By Willard Edwards)

WASHINGTON, January 27.—On May 9, 1961, a State Department employee, reviewing a proposed speech by a major general, ran a firm pencil through the word, "war," whenever it appeared in the address.

Feeling, perhaps, that the aggrieved general might not understand, the unknown censor scribbled on the margin:

"War is a dirty word."

The current Senate probe into the censorship of military leaders has disclosed hundreds of dirty words deemed offensive by a group of low-level State Department workers when uttered by a high-ranking military officer.

GAG MAY PROTECT THEM

The Senate Armed Services Subcommittee, headed by Senator JOHN STENNIS, Democrat, of Mississippi, plans to summon these employees and ask them why they killed entire speeches and consistently deleted anti-Communist or anti-Russian statements.

Both Democratic and Republican members of the subcommittee agree that the motivation of these subordinates holds the key to a pattern of censorship which has been termed "strange and odd" by STENNIS. Stronger terms have been used by Senators in private conversation.

The names of the censors are known to the subcommittee but they may be protected from questioning by Executive order. Secretary of Defense Robert S. McNamara has already decreed that no witness may identify an individual employee in the Defense Department's Security Review Agency.

WILL QUIZ CENSORS' BOSSES

The inquiry will be resumed next Tuesday. The Joint Chiefs of Staff will testify. Then the subcommittee will begin probing the actual operations of the censorship system by questioning Arthur G. Sylvester, Assistant Secretary of Defense for Public Affairs, and Roger Tubby, Assistant Secretary of State for Public Affairs.

Both men supervise the censorship divisions in their departments. Both are former newspapermen. Tubby was an assistant public relations man for the Democratic National Committee.

STENNIS said the hearings thus far have established reasonable justification for some form of clearing military speeches but that there was an obvious need for improvement in existing proceedings.

WHY THE CAPRICIOUSNESS?

Sylvester and Tubby will be asked if the censorship branches under their supervision act capriciously on their own or in accordance with national policies which have not been made public.

Whatever their answers, some indication of the thinking of the individual censors has been gained from anonymous comments they contributed as they slashed the proposed speeches of military men.

These were discovered as marginal comments on the scripts of more than 160 censored speeches placed in the subcommittee's record during the first 3 days of hearings.

Gen. George H. Decker, Army Chief of Staff, had difficulty in getting speech clearances from both the Defense and State Departments. When he proposed to address an annual meeting of Army chaplains on January 30, 1961, the Director of Security Review, Defense Department, killed a long passage and offered this comment:

"Portions of the speech do not conform to the tone and spirit of the inaugural address [by President Kennedy] and particularly the following thought: 'Let both sides explore what problems unite us instead of belaboring those problems which divide us.'"

SUBSTITUTES KENNEDY QUOTES

Decker had planned to tell the chaplains that "some very intelligent and articulate people * * * would rather be Red than dead." He said this was false rationale, based on a hope that the Communist character was changing.

Striking this out, the censor substituted several quotations from the Kennedy address, stressing "that we shall pay any price, bear any burden, meet any hardship * * * in the cause of liberty."

Decker was again the target of censorship when he prepared an address for the Army War College in June. He said the United States was engaged in a virtual war, not peaceful competition with the Russians, that the pace of the cold war was accelerating. He noted how the Russians used military power as a pressure, below the level of actual warfare, and said the United States could do the same.

KHRUSHCHEV PROTECTED

Clearance for the press was denied by the State Department censor who gave this explanation:

"It is recognized that much of this kind of material has already been made public but it is resulting in increasing unfavorable publicity abroad and is subjecting the United States to mounting adverse criticism. * * * This particular article, it is believed, would provide an especially high-level and authoritative spokesman for unfriendly propagandists to quote at length."

A protective complex in behalf of Russian Premier Nikita Khrushchev was repeatedly displayed by the State Department censors. In addition to killing all references to his personal behavior and his claim that he would "bury" capitalism, mention of his attacks upon his predecessor, Stalin, was also deleted.

TENDER CARE FOR CUBA

Slighting references to Cuba were banned. A remark about communism in America's backyard was stricken with the comment: "Cuba is not in the U.S. backyard and resents being told so."

Adm. Arleigh Burke, Chief of Naval Operations, wrote a speech for delivery June 4, 1961, which referred to communism as "an alienist philosophy that has taken over whole countries without firing a shot."

This language was stricken and Burke instructed to call communism "an expansionist movement that assigns a high priority to nonmilitary means."

KNOWS HIS FIASCOES

Any reference to the antireligious character of communism were almost invariably killed by the censors. Burke proposed to quote the late Cardinal Newman as saying that "we are personally responsible for what we do—that we have no means of shifting our responsibility and that dereliction of duty involves punishment." The entire quotation was stricken, without explanation.

Particularly odious to the censors was any mention of slavery in the Soviet captive states.

The word "conflict," referring to United States-Russian relations, was killed from one speech with the instruction, "Use a softer term."

Mention of the Korean and Cuban incidents as "fiasco," was deleted with the curt admonition: "See Webster—'fiasco' also means action that comes to a ridiculous end."

The censors imposed a general ban on talks of possible trouble because of Red infiltration in Laos, South Vietnam, Cambodia, and other countries in Asia.

"VICTORY" DIRTY WORD, TOO

"Victory" was another dirty word to the censors and was usually deleted. Almost all derogatory adjectives referring to communism such as "vicious," or "treacherous," met a similar fate. Comparisons of communism to Hitlerism were taboo.

When Maj. Gen. William T. Thurman proposed to speak of the "big lie propaganda techniques" of Communists in a speech for delivery February 17, 1961, the censors struck out the phrase with this reproving note "implying motives."

[From the Army Times, Feb. 10, 1962]

LET'S EYE SELF-MADE MUZZLE

(By Monte Bourjaily, Jr.)

The Stennis committee, which is looking into the alleged "muzzling" of senior military officers, could be led down the garden path by a concern for details which don't really contribute to a solution, if one is needed, of the problem of how to assure that military leaders support civilian-made policy without compromising their own personal convictions.

This hearing, generally billed as an investigation which could dramatize the "great debate" between conservatism and liberalism, so far has been less than spectacular. And there is a hint that it will be turned into a farce in which an officer, of one of the military services, becomes a scapegoat or hero for doing his duty as he understood it.

There have been suggestions that what the committee should be looking into is whether or not civilian authority has any right to control the public speeches of government employees in general and generals in particular.

I believe not only that civilian governmental authority has this right but also the duty to assure that what Government employees and military officers say, whether in an official capacity or from a public forum in an unofficial capacity, if they are sought as speakers because of their position or status as Government servants, conforms to the policy of the administration in power.

Government employees, including military careerists, who cannot accept the policy of the Government they work for should quit if they feel so strongly that they cannot keep quiet. Then they can talk to their hearts' content. If they can carry out the policies adopted by an administration without compromising their personal beliefs, even though they are not ardent in their

support of the policies, they should keep quiet.

Senior military leaders and Government officials, by their very positions, can be effective spokesmen for national policy as enunciated by the administration in power. If in their speeches these people want to do more than report on their stewardship, then they should be policy salesmen of an approved policy.

But this brings us to a very real "muzzling" that is going on and that has been imposed by the military on itself. And here is a fit subject for the committee to look into.

There are many problem areas in which no solution exists and where no policy has yet been enunciated. By Defense directive, there is permitted free and full debate of possible solutions and approaches to solutions in these problem areas, but only within the "Defense family" as one official puts it. Such debate is not to be disclosed to "outsiders," meaning the citizens of the United States for whom, in the long run, every Government employee, civilian or military, works.

This is like the butler refusing to tell his employer why the stairs are dirty while the upstairs and the downstairs maid debate who should clean them, or even worse, his refusal even to admit they are dirty until he decides the dispute. Then when it is all over and the upstairs maid cleans them on her way downstairs, he can point to the stairs and ask, "What dirt?"

It seems to me perfectly proper to refuse to divulge decisions, or even the likely decision, to the public until those who are to put the decision into effect (this is known as respecting a commander's prerogatives) know what it is. And it also seems to me perfectly proper to require that all those in a position to put decisions into effect should support a decision, when it is made.

Put it seems to me perfectly improper to refuse to discuss the existence of problems or the potential solutions to identified problems on the ground that this will interfere with the development of a solution.

This is exactly contrary to the entire political philosophy of the United States. Our strength, allegedly, is in the knowledge of all our citizens. To ask them to present a united front in support of policies about which they have no knowledge with respect either to alternatives or to the way in which the policy is arrived at is totalitarianism. Yet essentially this is the information policy of the Defense Department.

[From the Chicago Daily Tribune, Jan. 25, 1962]

HERE ARE TYPICAL PHRASES CUT OUT OF SPEECHES

WASHINGTON, January 24.—Here are some of the examples of Defense and State Department censorship revealed today by Senate investigators in questioning Lt. Gen. Arthur G. Trudeau, Army Chief of Research and Development.

The date of the delivered speech, its original wording by Trudeau, and revised wording or deletions are shown.

January 21, 1961: "We will be blocked and harassed by the Fabian Socialists and Communists." The phrase "Fabian Socialists" was deleted.

MORE OF CENSORS' WORK

January 31 (to a Canadian audience): "Your country and mine are the targets of worldwide communism. This is why we and our allies are arming to counter the Communist threat." Entire section deleted.

"As we engage the Communist," changed to "as we strive for a real peace."

"Yet, if our technology is to continue to accelerate, and it must to outperform the Reds." Last phrase deleted.

February 1: "Locked as we are in vital competition with the Communist." Delete and substitute: "In order to negotiate from a position of strength for peace."

OUT WITH "BURY US"

"The Communist conspiracy directed toward absolute, universal domination of the world" deleted.

"These totalitarians in thought and action have clearly stated again and again that their simple, sole, and stark objective is to bury us" deleted.

"Khrushchev created a new kind of war" deleted.

"Our ability to meet the challenges of Soviet imperialism will determine whether our way of life will continue" deleted.

"Today, in the face of the worldwide threat of international communism" deleted.

"We must field new and improved weapons systems more rapidly if we are to retain a military advantage over the Soviets." "Military" deleted.

HE CAN'T SAY "CONGO"

"The vicious worldwide conflict forced upon us." Delete and substitute "our lives and future."

February 17: "Faced as we are by the implacable mask of communism." "Implacable" deleted.

"With Soviet infiltration menacing this Nation" deleted.

March 3: "Last year, in the United Nations we witnessed the growth of a new world power group—the so-called neutralist or Afro-Asian nations." "Afro-Asian" deleted.

"The record in the Congo." "In the Congo" deleted.

"Diplomatic dealing without powerful cards is a bluff at best" deleted with this comment: "State Department feels diplomacy should not be compared to a card game."

"And beat the Communist challenge" deleted with instructions to substitute: "The threat of foreign aggressors."

April 26: "Nothing less will permit us to emerge victorious." "Emerge victorious" deleted and changed to "achieve our goals."

"Coexistence is not a choice. It is a fatal disease." deleted.

"The critical Communist threat." "Critical" deleted.

June 1: "We must win this struggle or we lose the world." Last phrase deleted.

Some anti-Communist phrases by Trudeau were also censored when the Eisenhower administration was in power, the record disclosed. These were few in number but revealed deletions of such phrases as: "I do not believe that the Soviets have relented in the slightest in their determination to dominate the world and to destroy our way of life."

In July, 1960, Trudeau spoke of the "growing Communist drive in Latin America in open violation of our Monroe Doctrine." The phrase beginning "in open violation" was deleted.

On February 1, 1960, he mentioned "Khrushchev's challenge." "Khrushchev" was deleted and "Communist" substituted.

[From the Chicago Tribune, Jan. 25, 1962]
FAVORED DELETION INVOLVES WORD "COMMUNIST"

(By Willard Edwards)

WASHINGTON, January 24.—The motivation of unidentified low-level State Department censors, who cut anti-Communist statements out of speeches by military leaders, drew the attention of Senate investigators today.

Lt. Gen. Arthur G. Trudeau, Army Chief of Research and Development and former Chief of Army Intelligence, told the Senate Armed Services Subcommittee that he had

frequently wondered why he had been barred from using such phrases as "world communism" and "the Communist challenge."

McNAMARA BARS NAMES

More than 50 of Trudeau's speeches in 1961 were placed in the record. They showed copious deletions, mainly ordered by the State Department, of passages and phrases referring in strong terms to the threat of international communism and the Soviet Union.

Chairman JOHN STENNIS, Democrat, of Mississippi, said the State Department censors would be called for questioning. Earlier, Secretary of Defense Robert S. McNamara had issued an order prohibiting military witnesses from identifying individual censors in the Pentagon. But these are known to the subcommittee and will also be called, it was announced.

CALLS IT VERY VALUABLE

President Kennedy, meanwhile, said at his press conference that he had no inclination to modify the censorship system as suggested by former President Eisenhower yesterday.

Eisenhower was entitled to his opinion, the President said, but he regarded the present system as very valuable in providing "guidance" for military men when they make speeches on foreign policy and other sensitive issues.

Kennedy said his own speeches on foreign policy were reviewed by the State Department. In a large government, this coordination was essential, he said, when extremely important and sensitive questions were under discussion. He urged support of the views of Gen. Lyman L. Lemnitzer, Chairman of the Joint Chiefs of Staff, and Adm. Arleigh Burke, former Chief of Naval Operations.

Lemnitzer told the subcommittee that he found the coordination process very helpful. He conceded that he had encountered no censorship difficulties in the 11 speeches he delivered in 1961.

Whether it was his high office and prestige or his shying away from controversial questions, he couldn't say. He had spoken of the threat of international communism only as it related to military needs, he remarked. Senator STROM THURMOND, of South Carolina, read Lemnitzer a number of the anti-Communist phrases deleted from Trudeau's speeches, without identifying them as such, and asked him if they were objectionable. Lemnitzer said they were not. He eventually guessed what THURMOND was doing and suggested that he could not answer without hearing the entire speeches.

The record disclosed some State Department explanations for the censored phrases.

WHY NO WORLD COMMUNISM

In cutting out one long passage from a Trudeau speech which spoke of the enslavement of one-third of the world's peoples in the chains of world communism, the unknown employee noted:

"We want to discourage the term 'world communism.' It sounds very pessimistic and also, to some, pleasantly international, like the United Nations."

Subcommittee members joined in describing this type of censorship as odd, strange, and remarkable. They were interested in the deletion from a Trudeau speech of March 9, 1961, of the phrase, "steady advance of communism for over a century—and it still remains unchecked as no successful counterforce has been adequately developed."

The State Department censor corrected the manuscript to read, "steady advance of Sino-Soviet communism * * *" and added this comment:

"It is only the externally aggressive type [Sino-Soviet] which the United States is committed to check."

ALWAYS SUPPORTED POLICY

THURMOND remarked that this statement "by some unknown subordinate in the State Department" stated a policy that the United States was not committed to check any form of communism except the Sino-Soviet brand.

"Are we against checking the internal threat of communism which, according to J. Edgar Hoover of the FBI is very real?" he asked.

Trudeau told the subcommittee that he had always supported national policy in his public addresses. There was no Government directive, to his knowledge, he said, which prohibited members of the Defense Establishment from "speaking out clearly and forthrightly against communism."

MARX, LENIN TENETS OUT

He noted the proposed deletion from one of his speeches of the statement that "the tenets of Marx and Engels and Lenin are as firm a part of the Communist doctrine as when they were announced."

The censor said the statement was untrue, that the Communists have "jettisoned many of these tenets."

In this case, since the deletion was not mandatory, Trudeau said he disregarded the suggestion. But he followed most of them, he conceded.

"My staff and I wondered about the motivation involved," he testified. "But a soldier does not question the policies and decisions of higher governmental authority."

"I know of no military officer who questions the historically accepted principle of civilian control of the military, or the responsibility of the Secretary of Defense and higher officials to review, for policy and propriety, the statements of military spokesmen."

PATTERN IS INCONSISTENT

Trudeau expressed resentment of what he called "attempts to downgrade the military" by accusing officers of lack of knowledge of international affairs. He did not mention a memorandum prepared by Senator J. W. Fulbright, Democrat, of Arkansas, which declared that military men lacked the background to speak publicly on matters which were not purely military.

The pattern of censorship was inconsistent, Trudeau said. Phrases deleted in one speech would be permitted in another.

"Let them spell out the rules for us," he suggested. "If it is anathema in this country to talk of the threat of world communism, they should tell us so, and not rely on the personal opinion of some subordinate who may have some shade of motivation unknown to us."

[From the Washington Daily News,
Feb. 7, 1962]

SECRETARY STILL SAYS "NO"—McNAMARA
COULD GET CENSORS OFF HOOK

(By Jim G. Lucas)

The Pentagon's 14 beleaguered censors—including 11 decorated combat officers—could get off the hook if their boss, Defense Secretary Robert S. McNamara, would let them talk.

But as of today, Mr. McNamara says they can't. He has issued written orders against their telling the Senate Preparedness Subcommittee, in its "muzzling" probe, who made specific deletions and why.

The committee says they must make identifications, unless Mr. McNamara claims executive privilege, a step he says he is loath to take. A second "peace conference" collapsed yesterday, and Committee Chairman JOHN C. STENNIS said there would be no more public hearings until the deadlock is broken.

However, Senator STENNIS called a secret meeting of his subcommittee today to discuss future procedure.

ADDED DATA

Meanwhile, it was learned, Mr. McNamara gave the committee additional information showing his own men actually had censored only 8 of 167 military speeches now in the committee record. Moreover, most of those changes were either ordered or strongly suggested by the Joint Chiefs of Staff and the Defense Director of Research and Development, Dr. Harold Brown.

Another 31 censorship jobs were completed by the Army, Navy or Air Force before speeches were referred "upstairs." The remaining 128 were simply marked "State Department," indicating censorship there. Defense censors, who worked all Monday night on the job, did not attempt to give reasons for State Department actions.

Mr. McNamara had his censors take the 167 speeches already in evidence and show by pencil notation the department or agency making the deletion; the reason, where known; and the policy or regulation calling for it.

The Secretary obviously hoped this would avoid a showdown with the committee.

TWENTY-SEVEN SPEECHES

Of the censored speeches, 27 were written for Lieut. Gen. Arthur G. Trudeau, Army Research Chief, who recently testified he wondered about the censors' motivation in some cases. The big book now shows the State Department struck from General Trudeau's many speeches all references to a possible U.S. "victory" over communism. No reason was given.

Defense censors partly rewrote a 1961 speech by Air Force Gen. Thomas D. White in which he decried those "who would retreat from nuclear strategy and start reconstructing our so-called conventional forces on an enormous scale."

The Army objected to that as "inaccurate," fearing it might be "included by implication" in General White's indictment. One of those objecting to White's speech could have been General Trudeau, an active proponent of an increased conventional warfare capability.

At the other end of the scale, Army Brig. Gen. Harold H. Shaller, commander of the Columbus, O., General Depot, wanted to refer jokingly to "gray-headed" faculty members and "wisened old seniors" in an address at Ohio State University last fall. The Defense censor deleted it as "too flip." The censor was not identified.

SMALL BUSINESS INVESTMENT COMPANIES

Mr. SPARKMAN. Mr. President, Members of the Senate have undoubtedly been aware of the fact that small business investment companies, licensed and operating under the Small Business Investment Act of 1958, have been the subject of increasing attention, both on Capitol Hill and around the country, in recent months. The interest shown in these companies has followed, quite naturally, I think, the tremendous growth and expansion experienced by this new investment medium during the last year. I am frank to admit that the progress being made by SBA in making available equity capital and long-term credit to small business has far exceeded my original expectations.

According to the latest available figures, there are some 481 licensed small business investment companies now operating in every State of the Union, plus Puerto Rico and the Virgin Islands. When compared with the 175 companies licensed at the end of 1960, it is obvious

that about two-thirds of the total number of companies have been licensed during the past 12 or 13 months. In addition, at the end of 1960, fewer than 800 businesses had received long-term financing from small business investment companies. According to the latest available figures, small business investment companies have now made more than 2,500 commitments to small businesses for a total of \$116.5 million. I might add that these figures are based on reports made by the small business investment companies to SBA in September of last year. If up-to-date figures were available, I am sure that these figures would be increased substantially. In terms of capital actually available for investments in or loans to growing small businesses, this program has generated more than \$440 million. An interesting thing about this, too, and the one thing that I think can be pointed to above all others to indicate some measure of success in this program, is the fact that there are about \$7 in private capital for every dollar of Federal funds. Many of us will recall that when the Small Business Investment Act was before the Senate in 1958, it was generally felt that, if this act would generate \$1 of private capital for every \$2 of Government money, we would have a successful program. As is the case with so many progressive programs, I think many of us had a tendency to underestimate the confidence which the American public would place in a sound Federal program designed to solve a basic problem in our economy.

Of course, the basic problem which the Small Business Investment Act was designed to solve was the so-called equity gap. Prior to 1958, it had been long accepted that small businesses were severely handicapped by the unavailability of long-term credit and equity capital. There were several economic facts of life which lay at the roots of the problem. In the matter of long-term credit, of course, there simply was no source from which small business could obtain this type credit on reasonable terms. As for equity capital, the problem was a little more complicated. There were rare occasions when a small business, in need of equity capital, was successful in offering its stock to the public. Where the amount needed was less than \$1 million, however, the cost of such a public offering was usually prohibitive. And even where the need exceeded \$1 million, it was not unusual that factors such as the lack of sufficient operating experience of the business or the fact that market conditions were not always favorable when the need for additional capital arose, made a public offering inadvisable.

There were innumerable cases, also, where a small business had been able to make a successful public offering of its stock, but found itself after a short time in need of additional capital at a time when its stock was not in style on the public market. Oddly enough, the need for this type of followup capital was often more acute and more difficult to meet than was the need for initial growth capital for small businesses.

These were the problems to which the Congress addressed itself in passing the Small Business Investment Act of 1958.

Following the passage of that act, there was a period during which its implementation by SBA was slow and cautious, and this met with general approval by all who were interested in the success of the program. We knew that this was an experimental program, and deliberate caution is always a necessity in any experiment. However, after 2 years of very little progress, in 1960 the Select Committee on Small Business of the Senate conducted a field study of the program and held hearings in Washington on two occasions. As a result, recommendations for improved administration and legislative changes were made by the committee, most of which were adopted by SBA, and by the Congress last year in the passage of the Small Business Investment Act Amendments of 1961.

Undoubtedly, the committee's study in 1960 and the support given by the Members of Congress to its recommendations, together with the aggressive administration of the act by SBA during the last year, have accounted for the expanding development of this new investment industry. I know that many of you have shared with me the feeling that we should look forward to the time when there would be a sufficient number of SBIC's operating, and a sufficient volume of loans and investments by them to provide a basis from which we could determine just what has been accomplished toward solving the equity gap problem of our economy. In my opinion and in the opinion of my distinguished fellow members of the Senate Small Business Committee, that time has come.

With this in mind, the committee has undertaken a comprehensive study of the operations of the small business investment companies. The committee has sent to every licensed small business investment company a questionnaire inquiring primarily into the investment activity of the company. We are seeking to determine precisely what type of loans and investments are being made to small business, the dollar amount of these transactions, the type and size of small businesses receiving assistance, the cost to the small businesses of such assistance as is being provided and last, but by no means least, the extent to which any small business investment company has obtained a voice in the management of its small business clients. With regard to this last item, we have found so far that one of the most frequent reasons given by small businessmen for not wishing to deal with a small business investment company is a reluctance to part with sole ownership of the business. In my opinion, this is one area which might very well provide fertile ground for misunderstanding on the part of the small businessmen of the country, as well as among Members of Congress. It may be that during the first few years of this program's existence, small business investment companies have traded too hard with their small business clients in this respect. If there have been abuses, of course, this is one of the things

that we will want to discover. Let me hasten to add, however, that after all, the small business investment companies are private investment firms, and they deal at arm's length with their small business clients. It would seem only natural to me that, in the beginning a relatively few companies, operating in an area where the demand for their service far exceeded the supply, may have been able to strike a hard bargain in their negotiations. However, it seems equally logical to assume that as more and more companies are licensed, and as competition among them increases, we should find the terms of their bargains becoming more and more liberal. As I have said, this is certainly one of the things that the Small Business Committee is looking into.

An important part of the study being made by the committee, as I announced several weeks ago, will be a series of hearings in various sections of the country, at which we expect to receive testimony from representatives of the small business investment company industry, small businessmen who have dealt with the small business investment companies, representatives of the investment banking community, and from SBA personnel in some of the regional offices who are in charge of the administration of the program.

I am pleased to announce that my distinguished colleague, the senior Senator from Oregon [Mr. MORSE], who is the chairman of the Financing Subcommittee of the Senate Small Business Committee, and who has always been one of the most active and tireless members of that committee, has agreed to conduct the first of several hearings that are planned. This will be in his own State of Oregon at Portland on the 24th of this month. I am confident that this first session of the committee's hearings will provide us with a great deal of information on how this program is operating out in the far western section of the country.

Following the hearings in Portland, we expect to move rather quickly to Chicago for a 1-day hearing on February 26, after which we plan to rest up a bit before moving to Miami during the later part of March and then return to Washington for a final session.

While I expect to preside at the Chicago hearing, the Senator from Florida [Mr. SMATHERS], whose efforts on behalf of small business in America are well known, and who has served with distinction as the chairman of the Subcommittee on Procurement of the Small Business Committee, will conduct the hearings in Miami. I know that much valuable information will be obtained from a review of the numerous small business investment companies which are licensed and operating in his State of Florida and in the surrounding area. I regret that my distinguished colleagues from Oregon and Florida are not able to be present here today. In their absence, however, they have requested that I submit for the record brief statements which, were they able to be here, they would deliver in person to the Senate.

Mr. President, I ask unanimous consent that these statements by the distin-

guished Senator from Oregon [Mr. MORSE], and the distinguished Senator from Florida [Mr. SMATHERS], be printed following my remarks in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR MORSE

I am happy to associate myself with the remarks of the distinguished chairman of the Select Committee on Small Business. As chairman of the Financing Subcommittee of the committee, I have shared with him for quite some time the hope that it would not be too long before a comprehensive appraisal of the activities of the small business investment companies would be possible. The program under which these companies are licensed constitutes, in my opinion, one of the most courageous experiments ever undertaken by this Government. Unquestionably, the action of Congress in passing the Small Business Investment Act of 1958 was founded upon voluminous and uncontroverted evidence of the existence of a so-called equity gap insofar as small business was concerned. The fact remains, however, that Congress was plowing new ground in creating this new investment medium. I have been generally pleased with the information that I have received concerning these companies. Although some criticism of the program has come to my attention, by and large the reports I have received have been favorable. As the Senator from Alabama has said, the purpose of the planned hearings will be to determine just what kind of job these new investment firms are doing in meeting the credit and capital demands of small business.

I am highly pleased with the decision of the chairman and the members of the Small Business Committee to undertake this review of the small business investment companies. I am especially pleased and honored by the request of the distinguished chairman that I conduct the first of this series of hearings at Portland in my home State on February 24. I am happy to have this opportunity to join with him in making this announcement of the committee's plans. I know that there are five small business investment companies licensed and operating in my State, and a number of others in California and the surrounding States. Over 90 percent of the business firms in my section of the country, as in most other sections, are small businesses. The demand for long-term credit and growth capital by these firms has always been high. However, I think it might be well to remember at this point that, while the primary purpose of this program was to solve the credit and capital needs of individual small firms, a very important by-product was to be the vigor and strength that would be added to the general economy by allowing these small firms to grow, expand and prosper. The failure of our economy, prior to 1958, to provide the means whereby this type of credit and capital could be obtained, served as an artificial brake on economic growth and prevented the most efficient allocation of capital resources.

The point I am making is that, in my opinion, the study which the Small Business Committee is undertaking will not only determine for us how well the credit and capital needs of small businesses are being met, but we shall also determine the contribution made by this program to the economic growth of America—a matter of such vital importance in these days.

STATEMENT OF SENATOR SMATHERS

It is indeed a pleasure to join with the Senator from Alabama and the Senator from Oregon in announcing the plans of the Senate Small Business Committee to review the manner in which small business invest-

ment companies have been operating under the Small Business Investment Act of 1958.

As chairman of the Subcommittee on Procurement of the Senate Small Business Committee, I have come to know firsthand the problem faced by small firms in need of additional capital, particularly small manufacturing firms which sell their products to the Government as well as to the public generally. There is no greater frustration within the American free-enterprise economy than that resulting from the inability of small concerns to obtain the capital necessary to realize a clearly indicated growth potential.

I recall, that, when the Small Business Investment Act was before the Senate in 1958, the record compiled by the Small Business Subcommittee of the Banking and Currency Committee and the Senate Select Committee on Small Business confirmed that the greatest need for growth capital was found among small manufacturing firms. Now, this is not to say, of course, that there are not a great many small firms operating in the retail, wholesale, or service fields that have growth potential and thereby a need for additional capital. Nevertheless, the evidence was clear that the greatest need was in manufacturing. In my opinion, the forthcoming study by the committee, through examining firsthand the investment activity of the SBIC's, will determine for us precisely the types of small firms which have applied to these companies for help. This information will doubtless be of great value to the Congress in determining whether or not legislative changes are necessary.

There is one other thing, I think, that we will want to learn about this program, and that is the general effect upon the economy of the area within which a small firm, that has dealt with a small business investment company, operates. Congress wisely provided in the Small Business Investment Act that the financial assistance provided by these companies should not result in a substantial increase of unemployment in any area of the country. I think that we shall certainly want to satisfy ourselves as to whether this provision has been complied with. But other than this, it seems to me that the best criterion upon which to determine the success or failure of the program will be the general effect upon the economic life of those communities into which SBIC assistance has gone. What job opportunities have been provided? What payrolls have been provided or saved through supplying the necessary capital or credit to sustain a small business concern? The answers to these questions will be a true measure of the success of this program.

I look forward with enthusiasm to the hearings which I shall conduct in Miami on the 29th and 30th of March. There are 21 small business investment companies licensed in my State of Florida, more than in any other southeastern State. It will come as no surprise when I say that I am particularly interested in reviewing the activities of these 21 companies. From the reports that I have received, these companies are generally doing a good job for small business in Florida. It will be our purpose to determine whether further improvement can be made.

At the Miami hearings, we expect to have as witnesses representatives of the small business investment company industry both from the southeastern and southwestern sections of the country. We hope to get a complete picture of the program as it is being operated within this area. In addition, we expect to receive testimony from SBA officials and small businessmen who have had occasion to deal with a small business investment company. I know that the information we receive will enable the Congress to see what this program has done for small business, and what may be necessary to steer its

future course in line with the original intent of the act.

Mr. SPARKMAN. Mr. President, I have appreciated very much this opportunity to inform the Senate of the work being carried on by the Senate Small Business Committee in regard to small business investment companies. When the Small Business Investment Act was passed in 1958, I was of the opinion that Congress had made a giant step forward in its never-ending struggle to solve the many problems of the American small businessman. I am hopeful that the study undertaken by the Small Business Committee will serve to confirm that opinion.

ADJOURNMENT TO THURSDAY, FEBRUARY 15, 1962

Mr. SPARKMAN. Mr. President, if there is no further business to come before the Senate at this time, I move, pursuant to the order previously entered, that the Senate adjourn until 12 o'clock noon on Thursday, February 15.

The motion was agreed to; and (at 3 o'clock and 34 minutes p.m.) the Senate adjourned, under the order previously entered, until Thursday, February 15, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 12, 1962:

U.S. ATTORNEY

Edward L. Shaheen, of Louisiana, to be U.S. attorney for the western district of Louisiana for the term of 4 years, vice T. Fitzhugh Wilson.

IN THE ARMY

The Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. George Justus Hearn, O295111.

To be brigadier generals

Col. Lyle Everett Buchanan, O1000717, Adjutant General's Corps.

Col. Paul Leonard Kleiver, O397818, Adjutant General's Corps.

Col. Roy Elcanah Thompson, O360841, Adjutant General's Corps.

The Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be major generals

Brig. Gen. William John Lange, O1175482.

Brig. Gen. Henry William McMillan, O323208.

Brig. Gen. Weston H. Willis, O289949.

To be brigadier generals

Col. Glenn Charles Ames, O328307, Armor.

Brig. Gen. Thomas Sams Bishop, O403542.

Col. Wilbur Henry Fricke, O340397, Artillery.

Maj. Gen. Henry Vance Graham, O398163.

Col. Jack Guest Johnson O370102, Signal Corps.

Col. Howard Samuel McGee, O387469, Artillery.

Col. Luther Elmer Orrick, O357391, Artillery.

Col. James DeWitt Scott, O381931, Armor.

Col. Max Henry Specht, O383575, Artillery.

Col. Herbert Owen Wardell, O293295, Artillery.

Col. Charles Austin Willis, O357988, Artillery.

The officers named herein for promotion as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, sections 593(a) and 3384:

To be major generals

Brig. Gen. Chester Pilgrim Hartford, O288390.

Brig. Gen. Herbert Russell Morss, Jr., O293333.

Brig. Gen. Cooper Burnett Rhodes, O258656.

To be brigadier generals

Col. William Henry Baumer, O2201379, Infantry.

Col. Phillips Leland Boyd, O230117, Medical Corps.

Col. Edward Stephens Branigan, Jr., O325381, Artillery.

Col. Joseph Hall Buchanan, O407996, Artillery.

Col. Costas Louis Caraganis, O306965, Armor.

Col. John Peter Connor, O416675, Infantry.

Col. Felix Albert Davis, O466259, Corps of Engineers.

Col. Carl Jens Dueser, O300655, Infantry.

Col. Denver Woodrow Meacham, O314699, Artillery.

Col. Franklin Lewis Orth, O307198, Infantry.

Col. Carl Curtis Saal, O923083, Transportation Corps.

Col. Myron Jewell Tremaine, O336516, Medical Corps.

Col. Lawrence Grant Treece, O291041, Corps of Engineers.

Col. John Edward Vance, O229832, Corps of Engineers.

Col. Louis Burton Wolf, O387002, Armor.

Col. Spurgeon Brown Wuertenberger, O295174, Artillery.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 12, 1962:

INTERSTATE COMMERCE COMMISSIONER

Kenneth H. Tuggle, of Kentucky, to be Interstate Commerce Commissioner for the term of 7 years expiring December 31, 1968.

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

To be ensigns

Donald Glen Popejoy
Harold Neill Estes, Jr.
Robert Anthony Ganse
Thomas Patrick Gilmore
Rolland Lee Lech
Daniel Dignan Sweeney
Herbert Lee Mansbridge

U.S. COAST GUARD

Rear Adm. Edwin J. Roland, to be Assistant Commandant of the U.S. Coast Guard with the rank of vice admiral.

The following U.S. Coast Guard officers for promotion to the permanent rank indicated in the U.S. Coast Guard:

To be rear admirals

Capt. William D. Shields
Capt. Richard D. Schmidtmann
Capt. Willard J. Smith

FEDERAL MARITIME COMMISSION

James V. Day, of Maine, to be Federal Maritime Commissioner for the term expiring June 30, 1965.

John S. Patterson, of Maryland, to be Federal Maritime Commissioner for the term expiring June 30, 1962.

Ashton Barrett, of Mississippi, to be Federal Maritime Commissioner for the term expiring June 30, 1963.

Thomas E. Stakem, of Virginia, to be Federal Maritime Commissioner for the term expiring June 30, 1964.

John Harlee, of the District of Columbia, to be Federal Maritime Commissioner for the term expiring June 30, 1965.

U.S. ARMY

The following named officer, under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

To be general

Lt. Gen. Earle Gilmore Wheeler, O18715, Army of the United States (major general, U.S. Army).

BUREAU OF YARDS AND DOCKS

Rear Adm. Peter Corradi, Civil Engineer Corps, U.S. Navy, to be Chief of the Bureau of Yards and Docks in the Department of the Navy for a term of 4 years.

U.S. NAVY

To be vice admiral

Rear Adm. Carl F. Espe, U.S. Navy, for appointment to the grade indicated on the retired list, pursuant to title 10, United States Code, section 5233.

Under the provisions of title 10, United States Code, section 5231, the following named officers for commands and other duties determined by the President to be within the contemplation of said section, for appointment to the grade indicated while so serving:

To be vice admirals

* Vice Adm. William A. Schoech, U.S. Navy.
* Vice Adm. Roy L. Johnson, U.S. Navy.
* Vice Adm. Rufus E. Rose, U.S. Navy.

(NOTE.—Asterisk (*) indicates ad interim appointment issued.)

U.S. ARMY

The nominations beginning Frank M. Ailey, Jr., to be first lieutenant, and ending Gary L. Zwicker, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 25, 1962.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 12, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

John 13: 35: *By this shall all men know that ye are My disciples, if ye have love one to another.*

Almighty God, we acknowledge gratefully that daily Thou art sheltering us under the outstretched arms of Thy divine providence.

Today we are praising Thee for a great American patriot whom Thou didst endow with a profound and penetrating spirit and of whose fame there will be no end.

We thank Thee that the windows of his soul were always open toward the unseen and the eternal as he passionately prayed and labored that love and righteousness might prevail and Thy will be done.

When we search for the elemental and supreme qualities and virtues of his inner life we find that his spirit was too

magnanimous to harbor a wrong and too merciful to hate.

Grant that we may be inspired to hasten the coming of that glorious day when in the mind and heart of man there shall be no malice toward anyone but only charity toward all.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, February 8, 1962, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed with an amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8723. An act to amend the Welfare and Pension Plans Disclosure Act with respect to the method of enforcement and to provide certain additional sanctions, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the House thereon, and appoints Mr. McNAMARA, Mr. MORSE, Mr. RANDOLPH, Mr. SMITH of Massachusetts, Mr. PELL, Mr. BURDICK, Mr. GOLDWATER, Mr. PROUTY, and Mr. TOWER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 258) entitled "An act to amend the District of Columbia Sales Tax Act to increase the rate of tax imposed on certain gross receipts, to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942 to transfer certain parking fees and other moneys to the highway fund, and for other purposes."

MEMBERS OF U.S. DELEGATION, CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86-42, in addition to the gentleman from New Jersey [Mr. GALLAGHER], chairman; the gentlewoman from New York [Mrs. KELLY], the gentleman from Massachusetts [Mr. CURTIS], and the gentleman from Michigan [Mr. BROOMFIELD], who were appointed to serve for the 87th Congress, the Chair appoints as members of the U.S. delegation of the Canada-United States interparliamentary group for the meeting to be held in Ottawa, Canada, from February 28 to March 4, 1962, the following Members on the part of the House: Mr. DULSKI, Mr. PHILBIN, Mr. MURPHY, Mr. DONOHUE, Mr. GIAMMO, Mr. CUNNINGHAM, Mr. TUPPER, Mr. ROBISON.

COMMITTEE ON THE JUDICIARY

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the Committee

on the Judiciary have until midnight tonight to file certain reports on private immigration bills.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

THE 44TH ANNIVERSARY OF THE RESTORATION OF LITHUANIAN INDEPENDENCE DAY

Mr. NELSEN. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, this afternoon I wish to call to the attention of the Members of the House the 44th anniversary of the restoration of Lithuanian independence which occurred on February 16, 1918. The brave people of Lithuania have suffered for many years under Soviet domination—not only in their own country, but wherever they are, scattered throughout the vast Soviet slave empire.

Certainly it is fitting that we as Members of the House of Representatives pay tribute to the courageous spirit of the Lithuanian people, and to emphasize again their aspirations for true freedom and independence, for someday they will be free again and assume their proud and rightful position among the free nations of the world.

Mr. Speaker, the most effective way for us to show the heroic Lithuanian people and the other captive peoples who are victims of Soviet colonialism our true interest in and concern for the restoration of their freedom would be to create a special House Committee on Captive Nations. The resolutions that are before the Rules Committee have been stopped by the objections of the State Department. Secretary Rusk and his ghost writers show a lack of real knowledge of European history, and an equally disturbing attitude toward Soviet domination of the captive nations. It is certainly fitting and proper for the Congress to take affirmative action, and the work of this special House committee would be a major step in thoroughly exposing Soviet colonialism to world view, and in maintaining the spirit of independence that marks the courageous people of Lithuania and of all captive peoples, which will lead to the eventual breakup of the Soviet empire.

EXTENSIONS OF REMARKS AND COST OF PRINTING THE RECORD

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, it might be of interest to know that the latest estimate by the Public Printer is

that the cost of printing the CONGRESSIONAL RECORD is now \$90 per page; so, as we extend our remarks and make revisions I think we should also figure what the cost will be.

I think a glance over the RECORD since the first of this year will show that we are printing, it seems to me, more useless information than we have ever done in the past.

EXTENSION OF REMARKS

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that, notwithstanding estimated costs of \$182.25 and \$344.25, the gentleman from New York [Mr. MULTER] may be permitted to extend his remarks in the RECORD in two instances and to include therein extraneous matter.

Mr. JONES of Missouri. Mr. Speaker, reserving the right to object, may I ask the gentleman to whom I should refer an inquiry as to the reason for unanimous consent despite the fact it exceeds the limit and costs more? Why is that necessary? Can anybody answer the question? Can the whip answer?

Mr. BOGGS. A parliamentary inquiry should be directed to the Speaker.

Mr. JONES of Missouri. That is not a parliamentary inquiry; I would just like to know why.

The SPEAKER. It is the understanding of the Chair—and, of course, the Chair is not answering a parliamentary inquiry, but making an observation of the Chair's understanding—that under the law the Joint Committee on Printing has adopted a resolution that any insertions of extraneous matter in the Appendix of the RECORD shall not exceed two pages without an estimate of cost, and the estimate of cost must be stated when the consent request to insert the matter is made.

Mr. JONES of Missouri. Mr. Speaker, I am not going to object, I am merely calling to the attention of the House how often when we submit consent requests to extend we often add that if it exceeds the limit it may still be inserted. I have not heard anybody object to a consent request and, as I say, I do not intend to object, but I just want to get these observations on the record.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

BRITISH PROBLEMS WITH HUGE CHEMICAL MERGER ILLUSTRATE VIRTUES OF AMERICAN ANTI-TRUST LAWS

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PATMAN. Mr. Speaker, the pending merger between Imperial Chemical Industries, Ltd., and Courtaulds, Ltd., now being debated in Great Britain, provides a vivid illustration of

the values of the American antitrust laws and the sharp contrast between our approach to monopoly and theirs. In a nutshell, the British are satisfied to permit a monopoly to be established and then wait and see whether the effects of the monopoly are good or bad. In this country, on the other hand, Congress and the courts have taken the wise position not only that monopolies are forbidden, whether good or bad, but also that mergers tending toward monopoly are unlawful.

BRITISH CONCERN WITH MONOPOLY REVIVED
AFTER WORLD WAR II

Although England was the cradle of the theory of free competition, the British abandoned this concept long ago. Speaking of the situation in the late 1930's, one commentator described it in the following words:

Dramatics aside, England is experiencing nothing more "revolutionary" than a completely planless, muddling decline of competition—decline on a wide front, firmly motivated and actively in process, but opportunistic and piecemeal nonetheless. * * * (Ben W. Lewis, Price and Production Control in British Industry, Public Policy Pamphlet No. 25 (University of Chicago Press, 1937).)

After World War II, the British for the first time in their history passed antitrust legislation. A Monopolies and Restrictive Practices Commission was established by the act of 1948—subsequently modified and supplemented by later legislation—and procedures and policies were formulated for dealing with the two major categories into which the monopoly problem is usually divided—market dominance (monopoly) and restrictive agreements. One might have thought that the British would have profited from some of our mistakes, for it was not until the Celler-Kefauver Act was passed in 1950 that we had an effective antimerger law. The difference between the new British antimonopoly program and our own has been succinctly described by Paul H. Guenault and J. M. Jackson in "The Control of Monopoly in the United Kingdom"—pages 2 and 3:

The American and British policies, both designed to strengthen the forces of competition within the economy, are diametrically opposed in character. The former was based, at least originally, on a general condemnation of monopoly and restrictive practices which was sufficiently strong to override any objections to an attempt to eradicate monopoly and many forms of restrictive practices through direct prohibition. Despite the fact that certain sectors of the economy have been exempted from the scope of this legislation, and though in the crisis of the thirties, principle gave way to expediency, this lively spirit of condemnation of monopoly still inspires American policy. The British legislation of 1948 was, on the other hand, based on the belief that suspected cases of monopoly or agreements should be carefully examined and the practices scrutinized prior to any condemnation or subsequent action. Even the later British legislation has not broken away, in any significant respect, from this approach.

The British Monopolies and Restrictive Practices Act now faces its most crucial test in the matter of the ICI-

Courtaulds merger, the largest merger in British history. This merger will bring together 95 percent of the synthetic fiber market in Britain and 75 percent of the market for paint. As the New York Times recently remarked:

In the United States, such percentages of concentration would guarantee a suit by the Department of Justice. In the case of the Bethlehem Steel Corp. and the Youngstown Sheet & Tube Co., for example, the proposed merger of the Nation's second and sixth largest steel companies was struck down because together they would have had 20 percent of the Nation's steel capacity. The United States Steel Corp., the Nation's biggest steel producers has 30 percent of the industry's capacity.

In the Brown Shoe Co. case, now before the U.S. Supreme Court, Brown Shoe so far has been prevented from acquiring the G. R. Kinney Co. and its chain of retail shoe stores. Together they would hold 4½ percent of the market.

In contrast, the Monopolies Commission in Great Britain may investigate and make recommendations on a merger such as that of Imperial Chemicals and Courtaulds. However, according to Frederick J. Erroll, president of Britain's Board of Trade, it had been the policy to judge monopolies by their actual effects in practice and not to attempt, in his words, "to reach conclusions on the possible effects of any particular monopoly before it has come into existence and there has been practical experience of its working."

SHERMAN ACT DOES NOT DISTINGUISH BETWEEN
GOOD AND BAD MONOPOLIES, BUT FORBIDS
ALL

Thus, in two respects American antitrust laws are more preventive of monopoly than is the British act. First, the Sherman Act would forestall a monopoly from being created, without waiting to see whether it is a bad or good monopoly. As Judge Learned Hand said in the Alcoa case (*United States v. Aluminum Company of America*, 148 F. 2d, 416, 427):

It is no excuse for monopolizing a market that the monopoly has not been used to extract from the consumer more than a fair profit. The act has wider purposes. Indeed, even though one disregarded all but economic considerations, it would by no means follow that such concentration of producing power is to be desired, when it has not been used extortionately. Many people believe that possession of unchallenged economic power deadens initiative, discourages thrift and depresses energy; that immunity from competition is a narcotic, and rivalry is a stimulant, to industrial progress; that the spur of constant stress is necessary to counteract an inevitable disposition to let well enough alone. Such people believe that competitors, versed in the craft as no consumer can be, will be quick to detect opportunities for saving and new shifts in production, and be eager to profit by them. In any event the mere fact that a producer having command of the domestic market, has not been able to make more than a fair profit is no evidence that a fair profit could not be made at lower prices.

Judge Hand concluded:

Be that as it may, that was not the way that Congress chose; it did not condone good trusts and condemn bad ones; it forbade all.

CELLER-KEFAUVER ACT DOES NOT DISTINGUISH
BETWEEN GOOD AND BAD MERGERS BUT FORBIDS
ALL THAT MAY SUBSTANTIALLY LESSEN COM-
PETITION OR TEND TO CREATE A MONOPOLY

But the second bulwark against monopoly is contained in section 7 of the Clayton Act—as amended by the Celler-Kefauver Act of 1950. This act challenges incipient monopoly, or more specifically, mergers which may substantially lessen competition or tend toward monopoly.

Judge Weinfeld, who banned the Bethlehem-Youngstown Steel merger, succinctly described the congressional purpose behind this act as follows (*United States v. Bethlehem Steel Corporation*, 168 F. Supp. 576, 581):

It is stating a fact of history to say that Congress felt that the Sherman Act passed in 1890 had proved quite ineffective in halting the growth of "trusts" and monopolies. * * * The evils of corporate mergers and combines with their increasing concentration of power commanded the concerned attention of the Nation. The "rule of reason" enunciated by the Supreme Court in 1911 in *Standard Oil Company v. United States*, regarded by many as having weakened the Sherman Act, gave impetus to efforts to secure more effective means of preserving our free enterprise system. * * * Congress acted in 1914 by passing the Clayton Act. Its essential purpose was preventive—to check anticompetitive acts in their incipency before they had reached the dimensions of Sherman Act violations.

Despite the clear purpose of the original section 7 of the Clayton Act, its objectives were not realized because of the loophole enabling corporations to escape the application of the act when they acquired the assets, rather than the capital stock, of their competitors. Thus the economic concentration permitted to develop by the failures of the Sherman Act were compounded—particularly during the merger movement of the 1920's—by the loophole in the Clayton Act. When Congress plugged this loophole in 1950, the Celler-Kefauver Act made crystal clear the congressional purpose to prevent further increases in economic concentration.

In the Bethlehem-Youngstown case, the first Government antimerger action to be decided under amended section 7, Judge Weinfeld echoed Judge Hand's comment regarding good versus bad monopolies in the following words (op. cit., p. 618):

Congress in seeking to halt the growing tendency to increased concentration of power in various industries was fully aware of the arguments in support of the supposed advantages of size and the claim of greater efficiency and lower cost to the ultimate consumer. It made no distinction between good mergers and bad mergers. It condemned all within the reach of the prohibition of section 7.

LONDON ECONOMIST CITES AMERICAN ANTI-
TRUST POLICY AS ONE "THAT QUITE OFTEN
WORKS"

The ICI-Courtaulds merger has even become a subject of heated debate between the two major political parties in Great Britain. On the one hand, the Labor Party accuses the Government of a timid and complacent attitude toward the growth of private monopoly. The

Conservatives, on the other hand, are taking a wait-and-see approach to the matter.

The erudite London Economist has entered the discussion with some telling observations on the pitfalls involved in any attempt to distinguish between good and bad monopolies, and tosses a few bouquets toward American antitrust policies. Regarding alleged efficiency of monopoly, the London Economist notes:

No economist could pretend that there are any conclusive economic arguments, in the current state of this art-cum-science, against a merger between Imperial Chemical Industries and Courtaulds * * *. Nobody—ICI and Courtaulds not excluded—knows enough about the effects of bigness and vertical integration in a modern science-based industry to say with any real certainty that they would conduce to promote greater business efficiency in the production of manmade fibers in Britain than would freedom to buy the intermediate materials for any or all of these fibers in a market that is for the present in surplus.

On the matter of good versus bad monopolies the Economist adds:

The Government's commitment to empiricism in examining monopoly and restrictive practices would in any case have given it excuses for deciding (as Mr. Erroll announced on Tuesday) not to decide whether this merger would or would not be in the national interest. Such empiricism—monopoly's not good or bad, but thinking (by the Monopolies Commission afterward) makes it so—is built into British political attitudes toward the restraint of competition.

Finally, the Economist points with favor to the American approach to antitrust as follows:

The United States—which is often accused in Europe of having an exaggerated animus against monopoly, because it has a policy that quite often works—seldom falls into this trap. Its legal prejudice, *per se*, against anything calculated to restrain competition, is avowedly based, in the last resort, on social and even moral grounds; the economic efficiency that it believes competition generally promotes is the secondary justification, not the first. Primarily, American attitudes toward monopoly (public as well as private) are based upon a distrust of concentrations of economic power, irresponsible in that they are not finally accountable to the public. This does not make American antitrust legislation emotional and ineffective; it makes it at times even embarrassingly effective.

This discussion in the London Economist of the problems of coping with monopolistic mergers is of such significance that I include the full article herein.

[From the Economist, Feb. 3, 1962]

NO POLICY FOR MERGERS

No economist could pretend that there are any conclusive economic arguments, in the current state of this art-cum-science, against a merger between Imperial Chemical Industries and Courtaulds. The "technological considerations" into which Mr. Erroll sought to delve last week afford no oracular guiding light. Nobody—ICI and Courtaulds not excluded—knows enough about the effects of bigness and vertical integration in a modern science-based industry to say with any real certainty that they would conduce to promote greater business efficiency in the production of manmade fibers in Britain than would freedom to buy the intermediate materials for any or all of these fibers in a market that is for the present in surplus.

The Government's commitment to empiricism in examining monopoly and restrictive practices would in any case have given it excuses for deciding (as Mr. Erroll announced on Tuesday) not to decide whether this merger would or would not be in the national interest. Such empiricism—monopoly's not good or bad, but thinking (by the Monopolies Commission afterward) makes it so—is built into British political attitudes toward the restraint of competition. Not into Conservative attitudes alone, either: Labour made it the core of the Monopolies and Restrictive Trade Practices Act of 1948, defends big trade unions against any scrutiny at all, and has had kind words for cartels arraigned before the restrictive practices court. The Government's entranced indecision before the prospect of ICI's gobbling up Courtaulds is only the latest demonstration of the basic inadequacy of this whole political attitude, which sounds so sensible and constantly turns out to be so ineffectual.

It arises perhaps from the mistaken assumption—which economists are guilty of encouraging—that political objections to monopoly can be altogether based on evidential grounds, economic or technical. The United States—which is often accused in Europe of having an exaggerated animus against monopoly, because it has a policy that quite often works—seldom falls into this trap. Its legal prejudice, *per se*, against anything calculated to restrain competition, is avowedly based, in the last resort, on social and even moral grounds; the economic efficiency that it believes competition generally promotes is the secondary justification, not the first. Primarily, American attitudes toward monopoly (public as well as private) are based upon a distrust of concentrations of economic power, irresponsible in that they are not finally accountable to the public. This does not make American antitrust legislation emotional and ineffective; it makes it at times even embarrassingly effective. It is no accident that the only British procedure in this field to have achieved even formal success, that of the restrictive practices court, does lean toward the *per se* outlawry of restrictive agreements, holding them wrong unless, under specified heads, they can be proved to be right. But a similar proposition toward single firm monopoly is not one that can ordinarily be demonstrated in logic: either you feel it or you do not.

The present British Government, elected to represent a country where political democracy is still suffused with respect for established hierarchies of one kind or another, does not feel it. Starting from the assumption that bigness will only become bad when it can be proved to have been bad, it can form no opinions about the future results of the engrossing behavior of businessmen. No doubt it was embarrassed by the project for an ICI-Courtaulds merger, the more so when it found that the eminent businessmen in whose wisdom it at first counseled Parliament to trust were calling each other fools or liars (a spectacle that may yet have more effect on the end of the affair than most of us have yet reckoned on—as perhaps the Tory backbench disquiet may indicate). But it did not feel competent to decide, on the evidence, whether this merger was in fact in the public interest or not, and did not feel that any clear principle was involved.

This, rather than the mechanics of any possible intervention, lies behind the Government's refusal to intervene. Both companies, could, as it is, be said to fall within the purview of the Monopolies Commission, which is indeed ordinarily asked to say whether conditions existing in an industry "operate or may be expected to operate" against the public interest. And any hint of Government uneasiness or disapproval, on

grounds of the national interest, would certainly have had some considerable effect upon the attitudes of the directors and shareholders concerned. The idea of a quick inquiry—to find out the "facts of the case," or to take Parliament off the boil?—was never a good one. But had the Government been prepared to form an opinion, it would have had no difficulty in making that opinion prevail. It was not ready to do this; and one suspects that it will go on finding reason for not making up its mind about mergers. Tory ministers still do not stand for *laissez faire* in the sense of securing the largest practicable limits of effective competitive enterprise and choice; they tend to believe instead, as perhaps they always have done, in *laissez faire* for the biggest and best businessmen to pursue their expert objectives as they think most appropriate. What is good for the private barons may be good for the country; Mr. Erroll washes his hands. Sometimes indeed this may be right; but the Tories have no public test, political or moral as well as economic, to judge by. It is almost symbolic that, in this property-owning democracy, the last people formally to be consulted about this transaction will be the shareholders of ICI.

DEPARTMENT OF URBAN AFFAIRS AND HOUSING—REORGANIZATION PLAN NO. 1 OF 1962

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. ADDONIZIO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. ADDONIZIO. Mr. Speaker, in his message to the Congress calling for the establishment of a Department of Urban Affairs and Housing, the President called attention to the Nation's dramatic urban growth when he said:

In a few short decades we have passed from a rural to an urban way of life; in a few short decades more, we shall be a nation of vastly expanded population, living in expanded urban areas in housing that does not now exist, served by community facilities that do not now exist, moving about by means of systems of urban transportation that do not now exist.

Let us pause for a moment to see just what has happened. Then we can better judge what the future holds in store. When the first census was taken in 1790 only 1 out of every 20 Americans—5 percent—lived in urban communities. Even in 1860 we were still essentially an agricultural Nation. But in the second half of the 19th century, as we began to flex our industrial muscles, our cities began to grow at a spectacular rate. By the turn of the 20th century 2 out of 5 Americans lived in urban communities. Today the ratio is 3 out of 4.

We Americans are a mobile people. We have been willing to move to places where the best jobs are available and where our children have the best chance to get ahead. Increasingly these opportunities have been in our cities.

So it is not surprising to find that out of a population of 180 million in 1960 the Census found that 125 million or 70 percent were living in towns or cities and their suburbs. It was also not surprising

to find that 113 million or 63 percent of our people were concentrated in metropolitan areas. What may surprise some of my colleagues, however, is the extent to which these trends of urbanization and metropolitanization have spread in to almost every nook and cranny of these United States. No longer is it just the industrialized eastern seaboard in which urban dwellers are concentrated. In 1960 there were only four States in which some significant proportion of the population was not to be found living in metropolitan communities. Even in the so-called farm belt, official census figures show that better than one-third of the population was in metropolitan areas and that an even higher proportion was to be found in urban communities.

People who study population trends look for the upward surge to continue at a rapid pace for the rest of the century. Between now and 1980 we can expect our population to rise to better than 260 million with the entire 80 million increase concentrated in urban places. Looking on to the year 2000, still another 125 million may be added to our urban population to bring our total population to nearly 385 million.

Now this tremendous growth is not only a challenge—it is also an opportunity. An expanding population will offer a huge market for new homes, home furnishings and appliances, automobiles, and other items that add up to a high and rising standard of living. Community facilities and public improvements of all types will have to be provided by our local governments.

What is the size of the job facing our homebuilders? It has been estimated that during the present decade alone new construction of houses and apartments will total over 16 million dwelling units. Over 9 million units are needed in the 1960's to accommodate the increase in our population, and almost as many again are needed to replace units to be demolished and those lost through fire and flood and other acts of God. The construction of new units during the 1960's will involve expenditures of about \$200 billion.

But merely building new homes is not enough. We must also preserve our existing resources. To do this there must be expenditures for additions to and alterations of, existing homes of approximately \$61 billion; and for hotels, motels, dormitories, and other such non-housekeeping structures of an estimated \$15 billion. The total construction cost will come to nearly \$280 billion during the decade. Maintenance expenditures may well amount to another \$75 billion.

But the present decade tells only part of the story. Let us look further into the future to the year 2000, when the country's population will have grown to over 380 million. To house the net addition of approximately 200 million persons, a great expansion in the rate of homebuilding activity will have to take place. It will in fact have to grow to almost three times the present size by the year 2000.

Shelter alone is by no means the only problem with which urban areas must cope in the years ahead. A related task

to be faced is that of providing urban facilities in general. A leading authority in the field of municipal affairs, Luther Gulick, has estimated that the additional urban facilities needed by the population growth of the 1960's will cost \$33 billion. Another \$200 billion may have to be spent between 1970 and 2000.

The pressures resulting from the population increase on the construction and financing facilities of the Nation will require all the foresight, planning, and coordination we can muster. We can ill afford to use our resources and our facilities inefficiently or to put our improvements in the wrong places.

The job of providing an improved urban environment for all Americans is one in which a Department of Urban Affairs and Housing can provide invaluable coordination, advice, and financial assistance. As the President said:

The present and future problems of our cities are as complex as they are manifold. There must be expansion: but orderly and planned expansion, not explosion and sprawl.

URBAN AMERICA COMES OF AGE

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. RODINO] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. RODINO. Mr. Speaker, one of the most disappointing events of the first session of this Congress was the failure to act upon any of the bills that proposed the establishment of a new Cabinet-level department—the Department of Urban Affairs.

I introduced a bill that would do this on the first day of the last session. As others who sponsored similar bills with me know only too well, it was never cleared out of the Rules Committee.

Now, however, the courageous and prompt action of our President has raised the hopes of the millions of urban Americans that they will at long last be properly represented in the executive branch of the Federal Government.

Despite the efforts of some misguided individuals to make it so, this is not a partisan issue. Nor is it an issue of States' rights, although I have heard a lot of talk and read some purple prose about how this new Department is a further threat to those rights. We all know what they mean by this modern use of the old battle cry—the right of the one farmer on his one section to be represented as well as the hundreds of people in the square mile in town.

I was fortunate enough to hear a radio broadcast a few days ago by my next door neighbor and good friend, the gentleman from Maryland [Mr. BREWSTER]. DAN represents, among others, Baltimore County, a major metropolitan area in his beautiful State. I was very happy to hear him speak out, in positive terms, buttressed by solid reasoning, in favor of the new Department. If I remember the ratios he quoted about his State, the

urban counties have a total of 14 representatives in the general assembly, while the Eastern Shore rural counties have 35—2½ times as many representatives, although with only about one-fourth of the population of the urban counties.

This is all too typical today. Where are our cities going to turn? The same place they have been turning to for years now—to Washington. But does any one force them to? No. If they want help in urban renewal, they will receive it. If they do not, that is that, and nobody is going to bother them.

But, irrational critics say, if they are able to get such help now, why create a new Department? Those of you like myself who have been working with cities to help plan their redevelopment I am sure have had the same experience as I downtown among the present various departments, agencies, and offices. You feel as though you are walking in a swamp with snowshoes on, and sound as though you are talking in Echo Canyon.

The proposal to put the assorted functions relating to cities and housing where they belong, under one man and one roof is analogous to a situation in my hometown—city, that is—Newark. Ever since I came to the Congress in 1949, I have been trying to secure a new Federal building for Newark. Then, and now, the various field offices of Federal agencies are spread among a score of buildings. Now, finally, Newark has reached the top of the GSA priority list, and funds will be requested this year for a new Federal building. After it is finished, all activities will be under one roof, where they belong, providing a more efficient as well as economic service to the thousands of citizens who now have to run all over the city to get answers to their questions.

This is what creation of the new Department will accomplish for our thousands of urban officials who annually come or write to Washington to get answers to their questions.

That is all it will do. But this is just what must be done.

One final word about the gentleman who will properly be named by the President to head the new Department.

One of the singular successes of President Kennedy's administration thus far has been the uniformly high quality of those he has appointed to high office. The present Cabinet has many times been described by objective reporters as the most effective of modern times. With such a history behind him, we know that the President appoints only after a thorough and studied evaluation of possible candidates for a post. We know that his decision to appoint the Honorable Robert C. Weaver to the new Cabinet position was made in this manner. We know also that nothing but praise described Mr. Weaver's past achievements when he was originally nominated by the President to become Administrator of the Housing and Home Finance Agency, and nothing but praise has described his performance as Administrator. I am sure he merits the President's confidence, and our best wishes for his continued success.

DR. LEWIS LLOYD—COURAGEOUS ECONOMIST

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. DENT] is recognized for 60 minutes.

Mr. DENT. Mr. Speaker, recently, a well known author, economist, businessman, and industrialist appeared as a witness before my Committee on the Impact of Imports on Employment. He appeared there at my request. This was necessary because in the year of our Lord 1962 it is almost impossible to find men courageous enough to face the issue of trade and tariffs for fear of name-calling, misunderstanding, and personal abuse.

I found none of these fears in Mr. Lloyd. His courage in the face of almost universal disapproval by leaders in Congress, the administration, banking, AMA, the press, radio, and TV merits more than passing praise. Although the Congress and the national media of public relations have been flooded with reports showing the benefits of so-called free trade, those of us who have a different view of the matter find ourselves in a blackout.

This is only important because of the seriousness of the results of our actions in the Congress in the field of international legislative action. It is not enough reason for passing this legislation just because "big name" sponsors make wild and unproven statements. It is still not enough reason just because the Committee for an Effective Congress, through its mouthpiece, Mr. Rosenblatt, offers as gifts to Congressmen of \$250,000 based mainly on their votes on this issue.

It is still not enough reason when the Secretary of Commerce makes headlines with a statement as misleading as most of the wild claims of benefits to the American workers in our foreign trade. The headlines screamed "6 Million Workers in Export Plants." This is the oldest propaganda trick in the world and used effectively by many of the demagogues and tyrants of our own generation.

I do not charge the Secretary with personal demagoguery but I do charge the "headline" with serving the purpose of demagoguery. My proof is contained in the body of the release, way down in a hidden paragraph which states "the Secretary was counting all the employees in a plant engaged in the exporting of goods." That is the story, my colleagues. In plain words, all of the employees of Ford, GMC, GE, Westinghouse, Alcoa, every coal miner, every worker in any plant that may ship less than 1 percent of its product to foreign trade. There is nothing wrong with this if you believe in the technique of the "big lie" or that the "means justify the ends."

In my opinion, when any legislative action is based upon such facts, it is time we take a second look. The Department of Labor says 3 million jobs, Department of Commerce says 6 million jobs, Charles Percy of Bell & Howell—importers of Jap cameras, large defense suppliers, oversea runaway operations, and free trader de luxe—says up to 15 million, some proponents just say mil-

lions of workers owe jobs to exports. This is the technique of the half-truth, the big lie, the one-sided approach which is used to sell soap, cigarettes, and beer, but certainly should have no place in such a serious matter as the far-reaching effects of our trade policies.

Due to the very limited expenses allowed our committee, I take this means to give the Members of Congress an opportunity to read and study the statements and testimony of Dr. Lewis Lloyd, author of the prophetic book "Tariffs: The Case for Protection," written in 1953 and 1954. The events of the intervening years have proven his knowledge of the subject.

[From the District Fifty News]

LEADING ECONOMIST ATTACKS TARIFF PLAN

(The following is the statement of Dr. Lewis E. Lloyd, economist for the Dow Chemical Co., before the Dent Subcommittee on the Impact of Imports and Exports on American Employment, Committee on Education and Labor, in Washington, D.C., last December 4. Dr. Lloyd points out that the continuation of our foreign trade policy toward freer trade will have "dire consequences" for our country's future growth and job opportunities. At its recent convention in Miami, Fla., the AFL-CIO supported with reservations the proposal to reduce tariffs, while District 50 is firmly opposed to "exporting the jobs of Americans.")

Mr. Chairman, I appear before your committee today not as a representative of the Dow Chemical Co., but rather as a professional economist who has spent years in studying the economic implications of foreign trade. I am concerned about the future of this great country of ours. Fundamental economic considerations indicate that our foreign trade policy has caused unemployment and that continuation of the trend toward free trade will have dire consequences for our future growth and job opportunities.

I would like to review for your committee some of the fallacies in the arguments which are being used to rationalize a program for rapidly further moves toward free trade.

FREEDOM TO TRADE

First, let us take note of the difference between "freedom to trade" and "free trade." Those who believe that an orderly domestic market must be maintained and that our external economic policies must be consistent with our internal policies, are often pictured as being against trade. This is not the case. I know of no responsible spokesman in this country who is opposed to foreign trade. Freedom to trade does not require free trade. It does require orderly markets, which in turn require sound foreign trade rules, just as antimonopoly laws reinforce the free market domestically.

INCREASING FOREIGN TRADE AS AN OBJECTIVE

One of the widespread concepts which has influenced our foreign trade policies is the notion that we must increase our foreign trade. The proponents never indicate how much it should be increased. The supposition is that it should continue to increase, without limit. By making this false assumption an objective, we are in a curious position. To completely realize such an objective, we would export everything we made and import everything we used. This, of course, would only maximize shipping costs. Clearly, trade just for the sake of trade is not a sound objective, and we must find a more rational basis for trade policy. Not only is increased foreign trade as an objective unsound theoretically, it is also out of step with historical trends.

About 1800, foreign commerce made up 12 percent of our national product. Seventy-

five years later it was down to 6 percent, and now it is in the range of 3 percent. Before synthetic materials were developed, we had to depend on natural products and trade with whatever region had suitable climate and soil for the desired product. For many things this is no longer true. We no longer have to import silk to get a luxury fabric. Our rubber requirements, most of our drugs and medicinals, and many other products are now made synthetically. Modern synthetic plants can be run as well in one place as another. The only requirement is suitable technical competence and economic environment.

TRADE AND JOBS

It is generally recognized that our foreign trade should be conducted under conditions which advance the best interest of all our citizens. The difficulty comes in recognizing the diverse and often subtle effects of particular policies. To evaluate the general welfare with respect to trade policy, we must turn our attention to basic economics—to economic growth and job opportunities.

One of the fallacies which is being used to support our unsound trade policies is the fallacious data concerning the relation of employment and foreign trade. In the past half dozen years, various reports and so-called studies have claimed that 4½ to 7 million American jobs are dependent upon exports. Some of these reports have further claimed that complete free trade for the United States would affect not more than a few hundred thousand workers, at the most. Any careful study of these data shows that their value lies only in their propaganda impact. The only meaningful way to examine the effect of foreign trade policy on employment is to examine the overall economic relations between the given country and the rest of the world. This can be done through an examination of our balance of payments.

To understand the impact of our trade policy on jobs, we need to examine the basic economics of exchange. Foreign trade consists of the exchange of economic goods and services between nations. When this exchange balances, a healthy trade relation exists and jobs are neither lost nor gained as a result of the trade in and of itself.

Money becomes involved in two ways: as a standard for evaluating diverse products and as a medium of exchange. Simply stated, the exchange equation takes the form:

Goods ⇌ Money ⇌ Goods

It is important to note that the economic exchange process is not complete with merely exchanging goods for money but only after the second step of exchanging the money for another economic good.

"Balance of payments" is the term which is applied to the accounting of the exchange of goods, services, and capital transfers between a given country and other countries. If the sum of all these exchanges does not balance, then there will be a shift of the exchange medium, money, into or out of the country. The balance of payments is made up of the net of trade, the net on tourism, the net on services such as shipping charges, insurance, etc., the net of capital flow for investment, interest payments, and dividends, and the net of unilateral transfers (foreign aid and personal gifts). In recent years the dollars which foreigners have obtained from our imports, from tourists, capital transfers, and foreign aid have exceeded the total dollars which have returned; and so we have had a negative balance of payment—an outflow of dollars. We have consistently had a negative balance since 1950 except for 1957 when the Suez crisis caused Europe to purchase substantial petroleum from the dollar area. The total deficit for this 11-year period is now more than \$25 billion.

This large and growing outflow of dollars which have not come home indicates that we

are noncompetitive. If our goods were not overpriced relative to world markets, most of these dollars, especially in recent years, would have been used to buy from us. It is difficult if not impossible to determine for particular products the relation between domestic and foreign production costs, and hence, the competitive position of domestic producers. The balance of payments, however, sums the judgments of all interested businessmen, domestic and foreign, as to what is the best buy in each case. It gives the free market answer as to the average overall competitiveness of a nation relative to others. It gives the only true and overall evaluation of the impact on jobs. If foreigners keep some of the dollars which they get or spend them elsewhere, it is because we are noncompetitive. To the extent that the dollars do not come back they fail to support jobs and we add to unemployment.

This kind of overall accounting of our foreign economic relations takes into account the net of jobs produced by exports, the jobs lost from imports, and the jobs lost from the buying of services, as well as the jobs which would have been created by the dollars that did not come home. No other approach is able to take account of all the multiplier effects and indirect job relationships which are related to our international economic activities. In 1958, 1959, and 1960 our loss of dollars averaged more than \$3.5 billion. If these dollars had come back to buy manufactured goods in the United States, it would have added more than a million jobs to our employment.

How has it come about that the United States, the greatest industrial nation in the world, has become a high-cost producer? For the answer to this question we must examine the changing economic and political situation in the world.

In recent years we have seen a breakdown in the colonial system which for two centuries had integrated the underdeveloped and industrial nations into an economic unit. At the same time we find a resurgence in the industrial nations. Europe and Japan have replaced their war-torn plants with new modern efficient ones. During World War II they were unable to continue to supply the export markets which they had built up around the world. We filled the gap. Now they want their export markets back and we are determined to hold onto them and even expand our exports.

In the past two decades while these sweeping changes were taking place, we have rapidly reduced our tariff rates. They are now more than 75 percent below 1930 levels and average only a little more than 10 percent on all dutiable items. These reductions, which have been made under the Trade Agreements Act, will be extended under administration proposals, which call for further across-the-board tariff cuts in another major step toward complete free trade.

THE FREE TRADE THEORY

The key fallacy underlying our foreign trade policy is a widely held misconception of the free trade theory. Simply stated, free trade is supposed to maximize economic efficiency through further extension of the principle of division of labor.

This is a fine theory and sounds very plausible in the classroom. Unfortunately, few proponents of free trade realize that its application will advance economic efficiency only if all the assumptions upon which it is based are met. The necessary conditions involve a free market in essentially all the contacts and relations between nations.

For example, there should be:

1. No embargo or tax on raw material exports;
2. No world cartels or commodity agreements;
3. No immigration restrictions;
4. Similar tax burdens and laws governing business;

5. A completely free market in currency exchange;

6. No overriding defense requirements; and

7. Finally, no government subsidies for any sectors of the domestic economies of the trading partners.

No one of these conditions is fully met even in the free world today and the one single factor of exchange controls and pegged rates is sufficient to bring consequences not intended by the free trade theory.

A recent actual case illustrates this point. When six nations in Europe decided to form the European Economic Community, called the Common Market, they found that they could not accept free trade without taking account of the assumptions underlying the theory. As a consequence, the Rome Treaty proposes the free and unrestricted movement of workers from country to country. It proposes equalization of indirect costs to producers so that fringe benefits and social taxes and the like will not make a producer noncompetitive in one country as compared to others in the Market. They sought to outlaw cartels. They found they had to take account of the exchange problems, and finally they proposed gradualism, for they realized that too rapid an adjustment would bring undesirable and unnecessary hardships—unemployment and economic dislocation.

Perhaps another illustration will clarify the importance of the assumptions upon which a theory or general practice is based. Penicillin has proven a great boon in the treatment of pneumonia. In most cases its use gives a rapid and complete cure. At first many physicians did not realize that in applying this antibiotic they were accepting the premise that there would be no side reactions. Experience has taught that some patients are so allergic to penicillin that a single treatment quickly brings death. So now the medical profession is well aware that penicillin may be used to cure pneumonia only in those cases where the "other conditions are met," namely, that there is no serious side effect from the use of the antibiotic.

Another matter which we need to keep in mind with respect to world trade is that of stability. There is considerable doubt that, given a free choice, people everywhere would choose maximum efficiency, because maximum division of labor to get maximum efficiency, also maximizes instability and risk. In our own society we reject this. Communities, companies, and even individuals find it desirable to spread the risk, to diversify. It is highly questionable that the maximum in international division of labor would be the most desirable state in the economic relationships between nations.

Stability is becoming an increasing goal or objective for our American society, but maximum stability would be stagnation. What we need is to have constructive change at such a rate that it will not cause undue hardship. Rapid changes in economic situations, local or national, can damage the social unit and bring suffering, just as too rapid a change in acceleration can damage the human body. The adjustments that are required in foreign trade relations are no exception; if we force too rapid a change, we will pay the penalty of severe economic and social stress.

INFLATION

The inflation which we have experienced in the past two decades is the root of much of our difficulty. During World War II we chose to pay our war costs in large part with inflation. The Government printed bonds, many of which went to the Federal Reserve banks, where in turn they became the base for an enormous credit expansion. Since 1940 we have poured about \$90 billions of fiat money into the purchase media stream. As a result of this monetary inflation, we now have in circulation more

than one worthless, inflationary dollar for every good one.

Following the war there were essentially \$2 for every dollar's worth of goods, and so prices were bid up to more than twice prewar levels and today we have a 46 cents dollar. The price of labor, of course, went up along with the price of everything else, in fact more than the price of finished goods. Thus through the well-known process of inflation we built distortions and maladjustments into our economy, the chief one of which is our noncompetitive position in the world markets.

Prior to the war our mass production technology was so much more advanced than that of Europe and Japan that it easily supported our higher wage rates. Since the war this has changed. We financed the rapid rebuilding of their plants with some \$80 billion of foreign aid. We invited teams of industrialists to visit our plants and learn American methods. They were apt at copying everything except our militant union movement. As a result their productivity has increased enormously, while their wage rates have risen only moderately. In spite of this we would still be competitive if it had not been for our doubling of prices due to the inflation. As a consequence of all this, the unit labor cost of foreign manufacturers is well below that of ours for many items; and so today foreigners who receive dollars prefer to spend them elsewhere where they can get more for their money.

A look at the basic exchange equation will show us the fundamental problem. Normally, foreigners would exchange goods and services for dollars, and then exchange those dollars for some of our goods.

$$\begin{array}{c} \text{Gold} \\ \uparrow \downarrow \\ \text{Goods} \rightleftharpoons \text{Dollars} \rightleftharpoons \text{Goods} \end{array}$$

Gold is one of the goods which we offer them in exchange for their dollars. Now we have not changed the price of gold since 1934, when it was set at \$35 an ounce. The price of our other goods has essentially doubled on the average due to our inflation. As a consequence, gold is the cheapest commodity we offer in the world market today. In the face of this it is not surprising that foreigners prefer gold, or to hold their dollar claims which are convertible into gold upon demand, rather than using the dollars to buy our manufactured goods.

We are in a very vulnerable position; and if at any time the foreigners lose confidence in the dollar to the point where they begin to withdraw gold in sizable quantities, we will face a real balance-of-payments crisis. This could have considerable repercussions on our economy here at home and shake our position as the leader in the free world. Faced with this situation what should be our course of action?

Basically and over the long run, the only real solution to our problem is for the U.S. producers to become competitive again in world markets. Unfortunately, this is easier said than done.

One remedy which has been proposed is that manufacturers reduce costs by increasing productivity in giant strides. We are urged to intensify research and automation. This suggestion sounds plausible, but has no chance of solving our problem. First of all the Europeans, and the Japanese too, are also good at research; and their research costs are only a fraction of ours because their wage rates are so much lower. Moreover, in recent years they have been getting more than their share of real research breakthroughs.

Our foreign competitors are alert to new ideas and any research findings or productivity improvements which we make, they will quickly apply. It is just unreal to expect that we can advance, while our foreign competitors stand still in the race for improved productivity.

A second way in which we might regain competitiveness would be for foreign wage rates to rise rapidly so that unit costs overseas would match our own. This would be an ideal solution. It would mean that foreign workers would realize rapid increases in purchasing power and this would broaden their mass market. This, however, is only daydreaming and shows promise only in the distant future. It is true that in recent years the percent increase in wages in Central Europe has been larger than in the United States. But this is of small comfort when the gap is so large. For example, if wages in Germany at 75 cents an hour increase 10 percent, it adds only 7½ cents per hour to the labor cost. In the United States a 5-percent increase on a \$3 wage means a 15 cents per hour increase. This is little remedy on a short-term basis.

Another alternative would be to have reductions in prices, both of labor and products, in this country. A very neat solution would be to have all wages and price reduced, say 25 percent, as of some morning. Obviously, with aggressive unions, which year in and year out have won wage concessions in excess of productivity, we are not likely to obtain such wage rate reductions * * * and let me add parenthetically that I favor good wages for workers. This is what spreads purchasing power on a broad base and gives us our wonderful mass market, without which mass production would not be feasible. So this offers no possibility as a practical solution.

There is a way, however, in which the same purpose might be accomplished without affecting the wage and price relationships in this country. This would be to readjust the exchange rate between the dollar and other currencies. Last summer a responsible Swiss financier estimated that the dollar would sell at more than 25 percent discount relative to the Swiss franc on a free market basis. Were this to happen we would get a readjustment downward of our wage rate and prices relative to that of the other countries of the world. In a free market on exchange rates, the exchange rate adjustment would continue until our products on the average had become competitive again in world markets and the total dollar outflow was balanced by the inflow.

WHY HASN'T IT BEEN DONE?

If this is so easy and sound, why hasn't it been done? It hasn't been done and isn't being contemplated because of the short-term foreign claims against our gold. If the dollar were trading at substantial discount relative to gold in foreign markets, these dollars would be tendered as claims against our gold. If we did not repudiate our promise to supply gold at \$35 per ounce, we might well lose all of our gold supply and still be short of meeting our commitments.

A primary factor in our negative balance of payments in recent years has been our foreign aid. The data on our foreign obligations indicates that we cannot and have not been able to finance this level of charity. In the early days of the Marshall plan, practically all of the aid dollars were spent in the United States and thereby at least supported jobs in this country. As industry was rebuilt overseas, less and less of the aid dollars have been spent here, until by 1959 only about 30 percent came back to support American jobs. If we are going to continue this massive international dole, the least we could do is to require that all purchases of goods and equipment be made in the United States so that it will support jobs in this country, and not add to the problem we now face in our balance-of-payments deficit.

WE NEED TO FACE REALITY

At this critical time we need to face reality. We must not let our concern for the

well-being of others divert our attention from the need to remain strong and vigorous ourselves as a bulwark of the free world. We must develop a foreign trade policy which is consistent with and reinforces domestic policy to insure increased economic growth and job opportunities. To this end we should:

1. Recognize that trade is not an end in itself and that increased trade may or may not be desirable, depending on the conditions of the trade.

2. Realize that the free trade theory will work only under idealized conditions and we should seek to develop the proper conditions before trying to apply free trade.

3. Seek to adjust dollar exchange rates on a free market basis to return our producers to a competitive basis relative to foreign competitors.

4. We should maintain reasonable control of imports to protect American jobs and permit a gradual, not a panic, adjustment to new foreign industrial might.

We must maintain a sound footing ourselves if we wish to remain the pivot man in the free world.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. BAILEY, for 20 minutes, on Thursday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FLOOD.

Mr. ADDABBO.

Mr. BOLAND.

(The following Members (at the request of Mr. NELSEN) and to include extraneous matter:)

Mr. KEARNS.

Mr. WIDNALL.

Mr. BERRY.

Mr. ALGER.

(The following Members (at the request of Mr. BOGGS) and to include extraneous matter:)

Mr. DOYLE in three instances.

Mr. RODINO.

Mr. MULTER.

Mr. SANTANGELO.

Mr. DENT to revise and extend his remarks during his special order today and include therein extraneous matter.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4876. An act for the relief of Mary C. Atkinson;

H.R. 5181. An act to amend Private Law 85-699;

H.R. 5324. An act for the relief of Dr. Serafin T. Ortiz;

H.R. 6013. An act for the relief of the Houston Belt & Terminal Railway Co.;

H.R. 7473. An act for the relief of Albert R. Serpe; and

H.R. 8325. An act for the relief of Harrison Thomas Harper.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On February 7, 1962:

H.R. 2470. An act to provide for the establishment of the Lincoln Boyhood National Memorial in the State of Indiana, and for other purposes.

On February 8, 1962:

H.R. 2147. An act for the relief of Kenneth Stultz;

H.R. 2973. An act for the relief of Anthony Robert Lowry (Antonio Plantadosi);

H.R. 3710. An act for the relief of Giles L. Matthews;

H.R. 4194. An act for the relief of Mrs. Ann W. Edwards;

H.R. 4211. An act for the relief of Alessandro Bottero;

H.R. 4280. An act for the relief of Dimitri Elias Sartan;

H.R. 4381. An act for the relief of Walter H. Hanson;

H.R. 6120. An act for the relief of Francis Ainsworth;

H.R. 6226. An act for the relief of Arlin David English;

H.R. 6243. An act extending to Guam the power to enter into certain interstate compacts relating to the enforcement of the criminal laws and policies of the States;

H.R. 6644. An act for the relief of Julius Bonikowsky;

H.R. 6938. An act for the relief of Dr. Robert E. Hiller;

H.R. 7740. An act for the relief of Mrs. Sharon Lee Harden; and

H.R. 8779. An act for the relief of George B. Olmstead.

ADJOURNMENT

Mr. BOGGS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 11 minutes p.m.) under its previous order, the House adjourned until Thursday, February 15, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1679. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend further section 201 of the Federal Civil Defense Act of 1950, as amended, to authorize payment toward the construction or modification of approved public shelter space, and for other purposes"; to the Committee on Armed Services.

1680. A letter from the Secretary of the Air Force, transmitting a draft of proposed legislation entitled "A bill to authorize the Secretary of the Air Force to adjust the legislative jurisdiction exercised by the United States over lands within Eglin Air Force Base, Fla."; to the Committee on Armed Services.

1681. A letter from the Comptroller General of the United States, transmitting a report on the review of the supply management of ship repair parts by the Ships Parts Control Center (SPCC), Mechanicsburg, Pa., Department of the Navy, pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67); to the Committee on Government Operations.

1682. A letter from the Administrator, General Services Administration, transmitting disposal report No. 62-11 dated February 7, 1962, on records proposed for disposal in accordance with the provisions of 57 Stat. 380, 59 Stat. 434 and 63 Stat. 377; to the Committee on House Administration.

1683. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to change the name of the Petersburg National Military Park, to provide for acquisition of a portion of the Five Forks Battlefield Area, and for other purposes"; to the Committee on Interior and Insular Affairs.

1684. A letter from the Secretary of Commerce, transmitting a report on war risk insurance and certain marine and liability insurance under title XII of the Merchant Marine Act, 1936, as amended and pursuant to section 1211 of the same act; to the Committee on Merchant Marine and Fisheries.

1685. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 31, 1961, submitting a report, together with accompanying papers and illustrations, on an interim hurricane survey of Myrtle Beach, S.C., authorized by Public Law 71, 84th Congress, approved June 15, 1955 (H. Doc. No. 336); to the Committee on Public Works and ordered to be printed with two illustrations.

1686. A letter from the Secretary of the Army, transmitting a letter from the Acting Chief of Engineers, Department of the Army, dated November 8, 1961, submitting a report, together with accompanying papers and illustrations, on an interim hurricane survey of Surfside and Garden City Beaches, S.C., authorized by Public Law 71, 84th Congress, approved June 15, 1955 (H. Doc. No. 337); to the Committee on Public Works and ordered to be printed with two illustrations.

1687. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 6, 1961, submitting a report, together with accompanying papers and illustrations, on a cooperative beach erosion control study of Belle Pass to Racoon Point, La., authorized by the River and Harbor Act, approved July 3, 1930, as amended and supplemented (H. Doc. No. 338); to the Committee on Public Works and ordered to be printed with six illustrations.

1688. A letter from the Secretary of the Army, transmitting a letter from the Acting Chief of Engineers, Department of the Army, dated November 8, 1961, submitting a report, together with accompanying papers and illustrations, on an interim hurricane survey of Cherry Grove, Tilghman, Ocean Drive, Crescent, Atlantic, and Windy Hill Beaches, S.C., authorized by Public Law 71, 84th Congress, approved June 15, 1955 (H. Doc. No. 339); to the Committee on Public Works and ordered to be printed with two illustrations.

1689. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 6, 1961, submitting a report, together with accompanying papers and illustrations, on the Great Lakes harbors study and interim report on the Erie Harbor, Pa., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956 and June 27, 1956 (H. Doc. No. 340); to the Committee on Public Works and ordered to be printed with one illustration.

1690. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 6, 1961, submitting a report, together with accompanying papers and an illustration, on a review of the reports on the Gloucester Harbor, Mass., requested by resolutions of the Committee on Public Works, House of Representatives, adopted March 30,

1955 (H. Doc. No. 341); to the Committee on Public Works and ordered to be printed with one illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 1330. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. LANE: Committee on the Judiciary. H.R. 9804. A bill for the relief of Cuyahoga County, Ohio; with amendment (Rept. No. 1355). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H.R. 10043. A bill to amend Public Law 86-272, as amended, with respect to the reporting date; without amendment (Rept. No. 1356). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H.R. 1451. A bill for the relief of Mrs. Elfriede Prischl Rogers; with amendment (Rept. No. 1331). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 1671. A bill for the relief of Edvige Cianciulli; with amendment (Rept. No. 1332). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 6082. A bill for the relief of Mrs. Vartanous Uzar; with amendment (Rept. No. 1333). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 6276. A bill for the relief of Athanasia Dekazos; without amendment (Rept. No. 1334). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 6343. A bill for the relief of Mrs. Izabel A. Miguel; with amendment (Rept. No. 1335). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 7777. A bill for the relief of Elisabetta Marchegiani; with amendment (Rept. No. 1336). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 235. An act for the relief of Evagelos Mablekos; without amendment (Rept. No. 1337). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 241. An act for the relief of Haralambos Agourakis; with amendment (Rept. No. 1338). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 531. An act for the relief of Eugenia Chrzastowski; without amendment (Rept. No. 1339). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1076. An act for the relief of Nancie Ellen Williamson; without amendment (Rept. No. 1340). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1560. An act for the relief of Yasuko

Otsu; without amendment (Rept. No. 1341). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1685. An act for the relief of Brigitte Marie Ida Kroll; without amendment (Rept. No. 1342). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1776. An act for the relief of Francis E. Sarcone; without amendment (Rept. No. 1343). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1791. An act for the relief of Dr. Tzy-cheng Peng; without amendment (Rept. No. 1344). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1793. An act for the relief of Mrs. Alfa Alessandro Milana; without amendment (Rept. No. 1345). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1832. An act for the relief of Susanne Rae Deremo; without amendment (Rept. No. 1346). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1866. An act for the relief of Dr. Berchmans Rioux; without amendment (Rept. No. 1347). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1870. An act for the relief of Lucia Blanca Clanto Rosa; without amendment (Rept. No. 1348). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2149. An act for the relief of Hugo Kolberg; without amendment (Rept. No. 1349). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2163. An act for the relief of Salfook Chan; without amendment (Rept. No. 1350). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2385. An act for the relief of Dr. Hau Cheong Kwaan, his wife, Tech Phaik Loui Kwaan, and their daughter, Laura Wai Man Kwaan; without amendment (Rept. No. 1351). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 2684. A bill for the relief of Mohan Singh; without amendment (Rept. No. 1352). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 5652. A bill for the relief of Kevork Torolan; with amendment (Rept. No. 1353). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 8422. A bill for the relief of Sister M. Theophane (Jane Carroll); without amendment (Rept. No. 1354). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Florida:

H.R. 10179. A bill to authorize waiver of indebtedness growing out of erroneous payments by the Armed Forces to military personnel or their dependents and to bar recovery of these payments if recovery is not initiated within 6 years of payment; to the Committee on the Judiciary.

By Mr. BAILEY:

H.R. 10180. A bill to authorize assistance to States for the financial support of public elementary and secondary education; to the Committee on Education and Labor.

By Mr. BONNER:

H.R. 10181. A bill to relieve ship operators of part of the cost of designing vessels as required under operating-differential subsidy agreements; to the Committee on Merchant Marine and Fisheries.

H.R. 10182. A bill to amend title XII of the Merchant Marine Act, 1936, in order to remove certain limitations with respect to war risk insurance issued under the provisions of such title; to the Committee on Merchant Marine and Fisheries.

By Mr. BUCKLEY:

H.R. 10183. A bill to establish an Office of Public Works Coordination and Acceleration; to authorize the preparation of a plan for acceleration of public works when necessary to avoid serious nationwide unemployment levels, and for other purposes; to the Committee on Public Works.

By Mr. CELLER:

H.R. 10184. A bill to amend section 130(a) of title 28, United States Code, so as to reconstitute the eastern judicial district of Wisconsin to include Menominee County, Wis.; to the Committee on the Judiciary.

H.R. 10185. A bill to prohibit wiretapping by persons other than duly authorized law enforcement officers engaged in the investigation or prevention of specified categories of criminal offenses, and for other purposes; to the Committee on the Judiciary.

By Mr. JOHNSON of California:

H.R. 10186. A bill to amend the Agricultural Adjustment Act as reenacted and amended by the Agricultural Marketing Agreement Act of 1937; to the Committee on Agriculture.

By Mr. MAILLIARD:

H.R. 10187. A bill to relieve ship operators of part of the cost of designing vessels as required under operating-differential subsidy agreements; to the Committee on Merchant Marine and Fisheries.

By Mr. MULTER:

H.R. 10188. A bill to amend sections 2 and 5 of the act entitled "An act to regulate the height, exterior design, and construction of private and semipublic buildings in the Georgetown area of the National Capital," approved September 22, 1950 (64 Stat. 903); to the Committee on the District of Columbia.

H.R. 10189. A bill to promote safe driving and eliminate the reckless and irresponsible driver from the streets and highways of the District of Columbia by providing that any person operating a motor vehicle within the District while apparently under the influence of intoxicating liquor shall be deemed to have given his consent to a chemical test of certain of his body substances to determine the alcoholic content of his blood, and for other purposes; to the Committee on the District of Columbia.

By Mr. O'NEILL:

H.R. 10190. A bill to amend the law relating to pay for postal employees; to the Committee on Post Office and Civil Service.

By Mr. PERKINS:

H.R. 10191. A bill to assist in providing necessary instruction for adults not proficient in basic educational skills in order to achieve the higher levels of education demanded by industry, agriculture, commerce, and national preparedness through grants to institutions of higher learning for development of materials and methods of instruction and for training of teaching and supervisory personnel and through grants to States for pilot projects, improvement of State services, and programs of instruction; to the Committee on Education and Labor.

By Mr. ROGERS of Colorado:

H.R. 10192. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide that upon application therefor, real property donated to the United States by any State or political subdivision which is surplus to the United States shall be returned to such State or political subdivision; to the Committee on Government Operations.

By Mr. ROGERS of Florida:

H.R. 10193. A bill to repeal the tax on transportation of persons; to the Committee on Ways and Means.

By Mr. SCHERER:

H.R. 10194. A bill to amend section 6, title 1, of the Internal Security Act of 1950, as amended; to the Committee on Un-American Activities.

By Mr. TOLL:

H.R. 10195. A bill to validate payments of certain special station per diem allowances and certain basic allowances for quarters made in good faith to commissioned officers of the Public Health Service; to the Committee on the Judiciary.

By Mr. MADDEN:

H. Con. Res. 418. Concurrent resolution to condemn Communist oppression in Lithuania and of the Catholic faith therein; to the Committee on Foreign Affairs.

By Mr. VAN ZANDT:

H. Res. 543. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the adequacy of the regulation of non-scheduled airlines; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. ELLSWORTH: Concurrent resolution of the Kansas Legislature memorializing the Congress of the United States in regard to legislation pertaining to the agricultural conservation program; to the Committee on Appropriations.

Also, concurrent resolution of the Kansas Legislature, relating to Federal income taxation of the interest derived from public bonds; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of Kansas, memorializing the President and the Congress of the United States in regard to legislation pertaining to the agricultural conservation program; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Pennsylvania memorializing the President and the Congress of the United States to establish a Federal medical school in the city of Pittsburgh, Pa.; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Kansas, memorializing the President and the Congress of the United States relating to Federal income taxation of the interest derived from public bonds; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Rhode Island, memorializing the President and the Congress of the United States with respect to Federal income taxation of the interest derived from public bonds; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL:

H.R. 10196. A bill for the relief of Thomas C. Barringer; to the Committee on the Judiciary.

By Mr. JAMES C. DAVIS:

H.R. 10197. A bill for the relief of Ann Caris Pappadoupoulou; to the Committee on the Judiciary.

By Mr. HAGAN of Georgia:

H.R. 10198. A bill for the relief of Bernardo Petruso; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 10199. A bill for the relief of Lester A. Kocher; to the Committee on the Judiciary.

By Mr. SHIPLEY:

H.R. 10200. A bill for the relief of William Lusk; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.R. 10201. A bill for the relief of Dr. Rebecca Y. Tanseco; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of the rule XXII, 237. The SPEAKER presented a petition of American Legion, Madeira Post 412, Madeira, Ohio, petitioning consideration of three resolutions unanimously agreed to with reference to legislation pertaining to the "Flag Code", retaining a steadfast position relating to the Immigration and Nationality Act, and the provision of additional allocations for the work of the Internal Security Subcommittee, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Senator Mundt Salutes Lincoln

EXTENSION OF REMARKS

OF

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1962

Mr. BERRY. Mr. Speaker, on this anniversary observance of the birth of the Great Emancipator—Abraham Lincoln—Republicans are paying tribute to

the memory of this man who was the first Republican to be President of the United States. One such tribute is contained in the newsletter of my colleague in the other body, the senior Senator from my home State of South Dakota, Senator KARL MUNDT. I request permission that, on this Lincoln Day, the newsletter "Your Washington and You," of Senator MUNDT be included in the RECORD:

THE LINCOLN HERITAGE

Americans this week are saluting the memory of one of our great Presidents, Abraham Lincoln. He was the first Republican

to serve as President. Much of what he said 100 years ago is today the foundation upon which the Republican Party stands. One statement of Lincoln's, perhaps better than any other, provides guidelines which the Republican Party as a whole has accepted as its philosophy of government. It is this:

"The legitimate object of Government is to do for a community of people whatever they need to have done, but cannot do at all or cannot do so well for themselves in their separate and individual capacities. In all that the people can individually do as well for themselves, the Government ought not to interfere."

This is the dictum followed by most Republicans and by which they gird themselves in the Congress to do battle against the policies designed by the Kennedy administration to further erode the freedoms of the individual while expanding the power of the Central Government. And it is this power the New Frontier policy planners constantly seek as message after message comes forth to the Congress demanding for the President "the power to reduce taxes," "the power to regulate foreign trade," "the power to control city governments through the Cabinet," "the power to spend without limit." The struggle continues, and on this anniversary of Lincoln's birth, we again attempt to give meaning to his expression by achieving that ultimate in public policy that Government ought not to interfere. The cause is not lost, nor the victory won.

FEBRUARY 19: A BIG DAY

When Congress returns to its full-time activities Monday, February 19—following the Lincoln Day observances—two major items of business are on the agenda for your Senator. Our Senate Agriculture Committee will begin hearings on the new farm bill of the Kennedy administration. Later in the day the Senate will take up the President's proposal to establish a Department of Urban Affairs. Both measures are controversial and will be the subject of heated debate, with the decision on Urban Affairs expected to come within a few days. The agriculture bill, of course, has the long road of committee hearings ahead before the measure comes to the floor of the Senate. Testimony has already been received in the House Agriculture Committee from Secretary Freeman in behalf of his program.

SENATE CALENDAR

The Senate has approved a \$2.6 billion program for colleges, but whether the figure will stand is questionable since the bill now goes to a House-Senate conference committee which will also consider the House measure calling for \$1.5 billion expenditures. The program is for college construction and scholarships. The House bill does not contain the \$926 million scholarship feature of the Senate bill. The Senate bill calls only for loans for construction while the House measure would make grants in addition to loans. The differences must be adjusted.

SPRAY FROM THE POTOMAC

The Kennedy administration has added more than 90,000 employees to the Federal payroll. However, not all of them are relatives of the President. * * * Senator BARRY GOLDWATER, addressing the Alfalfa Club here, quips that Chester Bowles is to appear on the TV program "What's My Line?" as soon as he finds out what his line is.

Gen. Tadeus Kosciusko

EXTENSION OF REMARKS OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1962

Mr. RODINO. Mr. Speaker, by happy coincidence, the annual celebration of Gen. Tadeus Kosciusko's birthday falls on February 12, the day we honor the memory of America's own great emancipator, Abraham Lincoln. This year is the 216th anniversary. General Kosciusko is known as the leader of Poland's fight for freedom and liberty, and for his service in America as a brigadier general in the American Revolution. Kos-

ciusko is still today a vibrant symbol of the fight for the liberty of the Polish people.

Most American school children remember General Kosciusko as the Adjutant to General Washington, and for his great career as a soldier in the battles of the Revolutionary War at New York, Yorktown, and elsewhere. Kosciusko came to this country as a trained and experienced soldier and engineer, of enormous value to the inexperienced Continental Army, trained at the expense of the Polish Government in England and Germany and France. After the war the Congress expressed its thanks and accorded him the rank of brigadier general, which he carried with him upon his return to the Polish Army. Less well known in the United States is Kosciusko's brilliant career in Europe, where he led the Polish armies in their struggle for freedom in the 1790's. General Kosciusko refused high rank under Napoleon because Napoleon would not pledge himself to a free and unified Poland.

Mr. Speaker, it is fitting that the anniversary celebrations for Abraham Lincoln and Tadeus Kosciusko fall on the same day. Kosciusko, like Lincoln, was a great American patriot; Congress voted him citizenship in the United States. Both men expressed the ideals and goals and devotion to freedom which characterize the greatest Americans. I am proud to salute Gen. Tadeus Kosciusko for his part in the struggle for freedom in America and the struggle for freedom in Poland.

Boy Scouts 52d Anniversary on February 8, 1962

EXTENSION OF REMARKS OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1962

Mr. DOYLE. Mr. Speaker, by reason of unanimous consent heretofore granted me so to do, I call attention to the fact that February 8, 1962, was the 52d anniversary of the founding of the Boy Scouts of America, which organization was chartered by this very Congress of the United States of America.

No doubt every Member of this great legislative body will concur with me that the Congress of the United States did well in chartering the Boy Scouts of America; for this Boy Scouts program has now affected the lives of over 34 million American lads and men since the year 1910; the Boy Scouts of America now has an active enrollment of more than 5,200,000 and more than 70,000 are actively in such program within the Los Angeles area, California, which includes the councils in the suburban areas of Los Angeles, Calif.

The other morning I was pleased and honored and inspired to be called upon by one of the Scout members of the Washington area council who visited me and pinned on the lapel of my coat, the same as similar Scouts did on the lapels

of each and every Member of the House, a Boy Scout pin, and he reminded me in his 1-minute speech of presentation that "Boy Scouts program strengthens America and the Boy Scouts program aspires to build a strong America."

Mr. Speaker, many years ago it was my pleasure to be a Boy Scout troop leader and president of the first Boy Scouts council in the important city of Long Beach, Calif., and for a few years to be a member of the National Council of the Boy Scouts of America. I am sure that very many Members of this legislative body have had similar experiences which continue to inspire and thus carry forward our continued and vigorous interest and support of the Boy Scouts program. I am sure also that you, Mr. Speaker, and each and every Member of this House, join with me in extending to the Boy Scouts organization our compliments and continued best wishes and our daily felicitations and good will.

The Scout program in the great 23d District, California, is one of excellent and dedicated adult leadership and sound, steady numerical growth in the troops of Scouts.

The House Should Have Equal Representation With the Senate at the Forthcoming Conference on Amendments to the Pension and Welfare Fund Disclosures Act

EXTENSION OF REMARKS OF

HON. CARROLL D. KEARNS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1962

Mr. KEARNS. Mr. Speaker, I would like to place in the CONGRESSIONAL RECORD the text of a letter which I have sent to the chairman of the Committee on Education and Labor, ADAM C. POWELL. In this letter I have named the two minority conferees for the forthcoming conference on the amendments to the Pension and Welfare Fund Disclosures Act. I have also requested that the chairman of our committee take cognizance of the fact that the Senate has again named nine conferees to this conference and as a result the five House conferees will be badly outnumbered.

As far as I can determine, there is no justifiable reason why the House should not have as many conferees as the Senate. Certainly the bill which we have enacted is as important as the Senate's and should be as stoutly and vigorously defended. It is tragic but true that this cannot be done when the conference membership is so heavily weighted in favor of the Senate.

Mr. Speaker, it almost appears that a pattern is developing. You will recall that at the time of the conference on the proposed amendments to the minimum wage law, the House only had five conferees, while the Senate had nine. At that conference the Senate pro-

visions were almost without exception accepted and the House provisions were stricken from the bill. I cannot believe that the membership of this House wishes to have that procedure duplicated at the forthcoming conference. Therefore, Mr. Speaker, I most earnestly recommend, and urge, that this very important matter be given additional consideration and that four additional House conferees be named. I am certain all will agree that the House must have equal representation in a conference or there will be grave danger that its views will be subordinated to those of the Senate.

Mr. Speaker, my letter to the chairman follows:

HON. ADAM C. POWELL,
Chairman, Committee on Education and
Labor, House of Representatives, Wash-
ington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your letter dated February 8, 1962, wherein you request that I indicate who will be the two minority conferees for the forthcoming conference on the amendments to the Pension and Welfare Fund Disclosures Act.

Please be advised that Mr. GOODELL and I will be the minority conferees.

On the basis of this request, I assume that there will be only five House conferees for this important conference. As you know, Mr. Chairman, the Senate has named nine conferees, which means that again we will be badly outnumbered and at a serious disadvantage. I believe that this is both unnecessary and unfortunate for we have every right to name as many conferees as the Senate, and I am certain that the membership of the House would like to have us do just that.

Therefore, Mr. Chairman, I most earnestly recommend that the number of House conferees be increased to nine.

Just as soon as this is done, I will be very happy immediately to designate two additional minority conferees.

Sincerely yours,

CARROLL D. KEARNS,
Member of Congress.

Tadeusz Kosciuszko (1746-1817)

EXTENSION OF REMARKS OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1962

Mr. FLOOD. Mr. Speaker, the success of the American Revolution was assured by the wholehearted efforts and the sacrifices made by the people here struggling for their independence. Other peoples, not native to this country, or related to the people living here, also contributed significantly to the successful culmination of that historic event. Tadeusz Kosciuszko, of Poland, that gallant and gifted soldier of freedom, was one of those whose personal participation in the American Revolution marks him as one of the great heroes of his day.

This gallant son of Poland was born on February 16, 1746, came to America in 1776 and volunteered for military service here. At once he was assigned to the task of fortifying the Delaware

River. He performed this task so well that he was made a colonel of engineers in the Continental Army. Subsequently he was in the Northern Army and saw action in Ticonderoga; he also supervised the fortifications at Saratoga. Then he was put in charge of the building of fortifications at West Point. He was one of the first of the Continentals to enter Charleston after that city was evacuated by the British. On October 13, 1783, he was made a brigadier general.

After thus serving the cause of freedom in this country brilliantly and with distinction, he returned to his native Poland in order to fight for her freedom. He did this for 20 years, and breathed his last as an exile in Switzerland. Today, on his 216th birthday, we commemorate his memory as a sign of appreciation of his services to this country.

The Doyle Bill To Outlaw All Communist- Action Organizations, Including the Communist Party

EXTENSION OF REMARKS

OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1962

Mr. DOYLE. Mr. Speaker, on January 30, 1962, I filed the Doyle bill, H.R. 9944, "to amend the Subversive Activities Control Act of 1950 to provide penalties for becoming or remaining a member of Communist-action organizations, and for other purposes." This bill is designed to have the effect of outlawing the Communist Party in the United States, or any other Communist-action organization whether under the name of communism, or not. It will have this effect of outlawing such, I believe, by making membership, per se, either in the Communist Party or any Communist-action organization a criminal offense. It makes punishable the continuing or subsequent membership in any Communist-action organization after such an organization is found to be a Communist-action organization by final order of the Subversive Activities Control Board.

In connection with the formation of this bill I received, and I very much appreciate, the very great aid of the legal counsel of the House Committee on Un-American Activities and of the Legislative Council of the House of Representatives.

But let me make it clear that this H.R. 9944 is not a bill by or from the House Committee on Un-American Activities, of which committee I have been an active member for about 15 years. The bill has been referred to that committee for further proceeding.

It is my premise that since the decision of the U.S. Supreme Court on June 5, 1962, in the case of the *Communist Party of the United States v. The Subversive Activities Control Board*, the provisions of H.R. 9944 will make most trials not only more effective and expeditious but will be comparatively inexpensive,

and I believe the bill is deliberately drawn so that all the defendants' constitutional rights and due process under established law will be definitely accorded each and every defendant prosecuted under the bill.

My bill, I believe, will not in any way alter or amend the present existing Smith Act but will, on the contrary, supplement the Smith Act. For instance, whereas the Smith Act, as I understand it, requires, first, proof that the defendant knowingly became, or is, a member of the Communist Party; second that the Communist Party in the United States advocates and teaches the overthrow and destruction of the U.S. Government by force and violence; third, that the individual defendant knew of such purpose of the organization, and, fourth, that the individual defendant actively and purposely participated and took part as a member of the Communist-action organization in such activities. Therefore, under my bill, Mr. Speaker, the only basic fact which must be established in any individual prosecution is that the individual defendant knowingly has continued his or her membership in the Communist Party, or any Communist-action organization, whether the name Communist is attached to it or not, after June 5, 1961, which was the date the Supreme Court of the United States upheld the findings of the Subversive Activities Control Board, which finding was that the Communist Party in the United States is a Communist-action group.

Maximum penalties under my bill would be 5 years' imprisonment, or \$10,000 fine, or both.

Mr. Speaker, since the filing of my bill on January 30, 1962, several Members of this great legislative body have spoken to me and asked, approvingly of my bill, whether I would permit them to take the Doyle bill, H.R. 9944, and file the same in their individual name to aid and assist in the premises. I have answered each and every one of them affirmatively and cordially so.

This statement by me is to say to all other Members of this House that any Member who wishes so to do hereby has my hearty approval in doing just that.

Tadeusz Kosciuszko (1746-1817)

EXTENSION OF REMARKS OF

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1962

Mr. BOLAND. Mr. Speaker, Tadeusz Kosciuszko was one of those rare and brave soldiers of fortune, so abundant in 18th-century Poland, who was willing to go anywhere and serve under any banner for the cause of freedom and liberty. This gifted and gallant son of a well-to-do Polish peasant was destined to be a soldier of great distinction. He was born on February 12, 216 years ago. Even though at the age of 13 he lost his father, his yearning for education led

him to the Royal School at Warsaw in 1765. There he graduated in 1769 with the rank of captain, and earned a scholarship to France where he studied at the famous military school at Metz, specializing in artillery and engineering. In 1776 he was in Paris when he heard of the American Revolution, which stirred his imagination and his restless soul. He saw his chance for action in a good cause, and with borrowed money he sailed for America, arriving in Philadelphia in August of that same year.

On his arrival he at once applied for military service. First he was employed to draw up plans for the fortifications of the Delaware River. In 3 months the successful completion of these plans earned him a commission as colonel of engineers in the Continental Army. In the spring of 1777 he joined the Northern Army at Ticonderoga, and there he advised on the fortifications of Fort Mifflin. During the next 2 years he was placed in charge of the erection of fortifications at West Point. Subsequently, he was in action at Charleston, S.C., and was one of the first Continentals to enter that city after its evacuation by the British.

In recognition of his signal services for the cause of the Revolution, Congress made him a brigadier general on October 13, 1783. A year later he returned to Poland, hoping to serve there in her struggle for freedom. Unfortunately, all his efforts to that end were unsuccessful. In 1789 he was made major general in the Polish Army, and for many years he continued to lead the unfortunate Poles in their hopeless fight against almost insuperable enemy forces. He was sadly disappointed in his gallant attempts, and he ended his stormy career in exile in Switzerland. There he died on October 15, 1817. Today on the 216th anniversary of his birth, Americans of all rank and creed solemnly observe his birthday and do homage to his blessed memory.

The Building of the American Character

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1962

Mr. MULTER. Mr. Speaker, it is always a pleasure and an honor to speak in praise of the Boy Scouts of America. This fine organization is now celebrating its 52d anniversary and it is fitting that we pay tribute here in the House of Representatives to the great service to the Nation made by the Boy Scouts.

In the 52 years since the Scouts organized here in Washington they have contributed to the building of good character in our boys and young men perhaps more than any other secular institution. Not the least important of its many services has been the encouragement and development of physical fitness.

Many millions of American men are grateful for the attitudes of mind and body received through their association with scouting. The 5 million boys presently in the scouting movement will equally benefit in the same manner from a great organization devoted to America and its youth.

As a longtime supporter of scouting, I am happy to again take official notice of this fine movement.

The Ideal of Abraham Lincoln

EXTENSION OF REMARKS

OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1962

Mr. DOYLE. Mr. Speaker, today, Monday, February 12, is again the birthday of Abraham Lincoln, who was twice elected President of these United States: To wit, on November 6, 1860, and November 8, 1864.

Most of the present Members of this great legislative body have heard me say on previous birthday occasions of Abraham Lincoln that since early boyhood he has been my ideal of American statesmanship in the best interests of our beloved Nation. I think that it is a fact that as February 12 came around each calendar year of the 15 years I have now served in this body I have taken occasion to say something on the floor of the House, or do something on said birthday which would indicate my continued highest regard for and respect of this former President of the United States who was born in Kentucky on February 12, 1809, and admitted to the practice of the law in the State of Illinois in 1836.

And let us not forget that he was a duly elected Member of the House of Representatives and served in the U.S. Congress as a member of the Committee on Education.

During most of the 30 years I actively and enjoyably practiced law in Los Angeles County, Calif., before I came here more than 15 years ago, I continued my established habit of having a facsimile of Abraham Lincoln on one side of an attractive card about U.S. postal card size with statistical data about him and on the reverse side thereof I had printed the following text:

EXTRACT FROM LINCOLN'S GETTYSBURG ADDRESS
DELIVERED NOVEMBER 19, 1863

(Compliments of one who is inspired by
Lincoln's life)

Fourscore and seven years ago our fathers brought forth on this continent a new nation, conceived in liberty, and dedicated to the proposition that all men are created equal.

Now we are engaged in a great civil war, testing whether that Nation or any nation so conceived and so dedicated, can long endure. We are met on a great battlefield of that war. We have come to dedicate a portion of that field, as a final resting place of those who here gave their lives that that Nation might live.

But in a larger sense, we cannot dedicate—we cannot consecrate—we cannot hallow this ground.

It is rather for us to be here dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion—that we here highly resolve that these dead shall not have died in vain—that this Nation, under God, shall have a new birth of freedom—and that government of the people, by the people, for the people, shall not perish from the earth.

Mr. Speaker, because Abraham Lincoln's Gettysburg speech to me has always been one of the most magnificent and appropriate speeches in the English language, in meeting newsboys, Western Union messengers, and other lads from time to time I would present to them one of such cards and say to them that if they would learn the Gettysburg speech within a period of 30 days from the time I delivered them the card, and would look me up and recite it to me, I would present to said lad the sum of \$1. So it is, as I consider in retrospect, I believe that there are hundreds of American men who thus learned the text of Abraham Lincoln's speech and earned and received at least \$1.

Mr. Speaker, I know you and my colleagues will pardon this personal anecdote but I speak for many other Members of this great legislative body the very satisfactory experience of emphasizing and giving due place to the life of Abraham Lincoln and to the historical value and significance of his Gettysburg speech.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1962

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of February 10, 1962:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District of Texas, February 10, 1962)

Federal Government size is growing by leaps and bounds: (last year 78,262 Federal employees were added). This week an additional Secretary of Commerce was added, vote 231 for 169 against (ALGER against). The amendments to the Welfare and Pension Plans Disclosure Act it is estimated will add 8,550 people to the Department of Labor staff and up costs \$45 million, an increase entirely unwarranted according to the facts developed during debate on this bill. These increases cost heavily and with the money and increased personnel goes power and in the same degree freedom is taken from the citizen taxpayer through tax increases and the necessary regulations and Government controls. The danger is, the Government scope and power is greatly accelerating under the Kennedy administration.

"The national debt ceiling must be raised, \$2 billion and then \$8 billion more" the President informed the Ways and Means

Committee. It is interesting to note the distorted logic and statistical misuse of figures presented by the President and his advisers. For example, to show expenditure increases for the military, international and space agencies are lumped together to be contrasted to civilian agencies. Thus, the cost of the Peace Corps, Export-Import Bank, the U.S. Information Agency, foreign aid, aeronautics and space research, are classed as military rather than civilian and in this way the greater increase can be shown as military. The truth, on the contrary, is that the welfare expenditures have gone up 60 percent while military has increased only 40 percent, so the military is not the reason for greater increased spending. Another example is the attempt to show that by increasing our debt we are decreasing our debt. This is done by percentages of the gross national product at earlier periods as contrasted to now and projected in the future. This is fallacious because (1) Government spending is used to increase the GNP (like a person borrowing at the bank to show he has more money); (2) The same items are covered various times in the GNP total; (3) The President forecasts a \$45-\$50 billion jump in our GNP next year (this is like borrowing against your own projected next year's credit standing). I shall oppose any increase in the debt limit since I have opposed the increased scope of spending which now necessitates a debt increase.

The Public Welfare Amendments of 1962 is now before the Ways and Means Committee. The changes would include: (1) Increase from 50 to 75 percent the Federal share of Federal-State participation for rehabilitation care; (2) expand child welfare services, including more services to unmarried mothers; (3) more and better trained Federal welfare workers; (4) eliminate State residence requirement for aid recipients and others. The conclusion stated, "We cannot afford our present methods. They are costly to the taxpayer and often shattering to the recipients." With this conclusion I agree. So it is that I fail to see how continuing and expanding existing programs will solve the problems. How strange it is that the President and his spokesman, Secretary Ribicoff, fail to realize that charity begins at home, at the local level, through private and church facilities and activities and that adding thousands more Federal bureaucrats and workers at great expense does not solve welfare problems. My objections include these: (1) Federal coercion of the States using Federal taxes as the bribe and bonus; (2) destroying individual initiative and self-respect (Federal aid does not restore dignity as the Secretary claims); (3) wrong assessment of the situation and the public's needs—deprived of opportunity, bowed down under a bewildering array of new problems, suspect by their fellows, they are devoid of hope in the midst of a society providing abundantly and well for most of us—is not an accurate description of needy Americans today, that Federal aid will correct. Indeed, the old hackneyed, New Deal spend ourselves rich in the name of compassion is not the spirit of America, nor the medicine needed to correct ever-present human problems. Further, the wrong medicine will hurt, not cure the patient. "The new program which has been designed to carry out President Kennedy's recommendations bespeaks a compassionate heart and hard head" statement of Secretary Ribicoff should be rephrased as "bespeaks a lack of understanding of (1) human nature, (2) basic economics, (3) the role of Federal Government in our lives and is designed to be used for political purposes, perhaps by Secretary Ribicoff as a campaign issue in his impending race for the Senate."

The President's message on aid to education requesting a \$20 billion per year ex-

pansion beyond our present expenditures for education concludes with this fine statement: "The education of our people is a national investment. It yields tangible returns in economic growth, an improved citizenry, and higher standards of living. But even more importantly, free men and women value education as a personal experience and opportunity—as a basic benefit of a free and democratic civilization. It is our responsibility to do whatever needs to be done to make this opportunity available to all and to make it of the highest possible quality." Isn't it a distressing paradox that in seeking such a laudable goal, the President, in the rest of his message completely contradicts and makes impossible the attainment of that goal?

WAYS AND MEANS KEY COMMITTEE

"The fate of a major part of the administration's program will rest this year in the hands of just one committee, the House Ways and Means Committee. Traditionally this has usually been a cautious conservative group, and when they finally act their recommendations nearly always become law."—Representative FRANCES BOLTON, of Ohio.

Cabinet Status Needed for Urban Affairs

EXTENSION OF REMARKS

OF

HON. ALFRED E. SANTANGELO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1962

Mr. SANTANGELO. Mr. Speaker, under leave to extend my remarks, I take this opportunity to insert my statement which I delivered on February 8, 1962, to the Committee on Government Operations which has been holding hearings on Reorganization Plan No. 1 of 1962, to create a Department of Urban Affairs:

STATEMENT OF CONGRESSMAN ALFRED E. SANTANGELO IN SUPPORT OF REORGANIZATION PLAN NO. 1 OF 1962, TO CREATE A DEPARTMENT OF URBAN AFFAIRS

Gentlemen, I appreciate the opportunity to appear before you to speak in behalf of the Reorganization Plan No. 1 of 1962 submitted to Congress by the President of the United States. This plan proposes to create a Department of Urban Affairs and Housing, with a Secretary of Urban Affairs.

As a member of the Appropriations Committee, Subcommittee of Agriculture, I have seen the effectiveness of an agency guided by a Secretary of Agriculture. Without a Secretary of Agriculture, the myriad and intricate problems of agriculture would be unresolved and our Nation of 180 million people could not be fed by a segment of our population which constitutes less than 10 percent working their farms.

The Secretary of Agriculture handles and supervises activities which many would regard as not relating to farming, but on closer analysis, there is a relationship between the farm and the activities to which the Secretary of Agriculture gives sense and direction. The major objective of the Secretary of Agriculture and the Department of Agriculture is the supervision of the production of food and fiber with the management of its supply. The Agriculture Department deals with research, not only in food, but also in the basic sciences which bring about new products, improved quality of the food supply, and variations in the type of food we eat and the clothing we

wear. The Department has jurisdiction over the inspection of meat and poultry. It supervises the conservation of soil and the prevention of floods. It manages a special school milk program and a school lunch program which affects the lives of 13 million of our schoolchildren and aids the pocketbook of families which perhaps could not afford a decent meal for their children. The Department administers a program of housing for the farmer, not only in the improvement of present housing, but in the construction of new shelter. When crops fail, a program of crop insurance is administered by the Agriculture Department. The rural people find available to them, through their cooperatives, electrification of their homes and farms and communication in a REA telephone system. The food supply which the farmers produce in abundance requires the storage of wheat, corn, feed grains and cotton, which the Department supervises and administers. In far-off lands when people are hungry, and, yes, also in our own country, programs to combat famine and to furnish food to those suffering poverty are administered by the Agriculture Department. Without sense and guidance, the farm program in these United States would be chaotic, and could not possibly be administered to feed the people of the country or many of the nations throughout the world.

Just as the Secretary of Agriculture in a Cabinet position has given sense and guidance to the myriad problems of agriculture, so will a Secretary of Urban Affairs give sense and direction to the manifold problems of urban affairs. Since 1949 urban development has been a program which Congress has said was necessary and essential for a better standard of living and for the improvement of urban conditions. Apart from the improvement in housing, the problems of cities are complicated and difficult of solution. Three-fourths of our national population, or approximately 130 million, live in the cities. Over 130 cities have populations of more than 100,000 residents. The experience of other areas and the effectiveness of a Secretary of Cabinet status demonstrate that cities should be represented in the Cabinet with a Secretary of Urban Affairs. A Cabinet position for cities is not only justified by need, but also by its contributions. Metropolitan areas produce most of our wealth, exclusive of food and fiber. They produce enough to enable most communities to build a floor under misery, to provide leisure for the working mind, and to support institutions to advance our way of life called civilization. The manufacturing of clothing, the production of chemicals, the forging of steel ingots, the manufacturing of appliances and farm equipment, the processing of foods and textiles are performed in metropolitan areas. Those who work in cities require decent shelter, pure water and air, effective mass and private transportation, educational facilities, recreational outlets, such as theater, television, radio, press and parks, places of worship, such as churches and synagogues. In the furtherance of the attainment of these requirements, the cliff dwellers need protection at work, on the way home, and at home. These measures consist of housing regulations, factory rules, police supervision and fire protection, correctional institutions, hospital care and preventives of juvenile crime must also be considered. All of these activities must have a sense of direction and guidance. They can find such direction through a Secretary of Urban Affairs, and we, as responsible legislators, must make provision to create a department which will do the job.

Cities today face many difficulties. Financial limitations hamper solutions. Diversified agencies hinder the attainment of goals. Unplanned and sprawling growth require

urban renewal and revision to provide better living quarters and functional construction. Proper planning in the form of urban renewal requires direction and commonsense to eliminate the bottlenecks which retard proper growth and which will maximize space for healthy and safe living conditions.

A hue and cry has been raised because our President has suggested the appointment of Robert Weaver as the first Secretary of Urban Affairs. I have known Mr. Weaver for many years, and I am familiar with the work that he has performed in the field of housing which is an important factor in any urban program. Mr. Weaver is preeminently fitted by experience and character to hold the position as secretary of the proposed agency.

In the interest of our country and in the interest of human relations, I urge this committee to recommend the approval of Reorganization Plan No. 1 submitted by the President of the United States.

Legislative Program of the DAV

EXTENSION OF REMARKS

OF

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1962

Mr. ADDABBO. Mr. Speaker, on February 8, 1962, I had the distinct honor and privilege of introducing to the Committee on Veterans' Affairs a friend and neighbor, Francis R. Buono, national commander, Disabled American Veterans. Commander Buono made an outstanding presentation of the legislative program of the Disabled American Veterans.

Under leave to extend my remarks, I include my introductory statement and the statement of National Commander Buono:

STATEMENT OF JOSEPH P. ADDABBO, INTRODUCING FRANCIS R. BUONO, NATIONAL COMMANDER, DISABLED AMERICAN VETERANS, 1961-62, TO THE COMMITTEE ON VETERANS' AFFAIRS, FEBRUARY 8, 1962

Francis R. Buono, 46, was elected to a 1-year term as national commander of the Disabled American Veterans at the organization's 40th annual national convention in St. Louis, Mo., on August 25, 1961.

He lives with his wife and three children in Bayside, N.Y.

Buono served with the U.S. Infantry in Africa and Italy during World War II, and was wounded three times. His principal military decorations include the Bronze Star, Purple Heart, Soldiers Medal and Combat Infantryman's Badge.

Buono volunteered as a private in 1942 and was discharged with the rank of captain in 1946. He was a platoon sergeant, company commander, and battalion operations officer.

For the past 11 years, Buono has been deputy warden in charge of transportation for New York City's Department of Correction. A civil service employee of that city for 21 years, he has risen through the ranks to a position with executive responsibility for supervision of 275 employees and disposition of an annual agency budget of \$9 million.

Buono became active in DAV in New York State in 1946. He became State commander in 1952, after serving terms as State senior vice commander, State junior vice commander, chapter commander, and chapter adjutant.

Buono's other national DAV activities include: national executive committeeman in 1953 and 1954; chairman of the national finance committee in 1955, 1956, and 1957; and national senior vice commander, 1960-61. He also is a member of the DAV Service Foundation's Board of Trustees.

Buono received his military training at the Motors Division of the Cavalry School, Fort Riley, Kans.; Infantry Officers School, Fort Benning, Ga.; and the Command and Staff School, Fort Leavenworth, Kans.

A native of Bayside, N.Y., Buono attended the School of Engineering at Manhattan College and New York University's Graduate School of Administration, Management and Executive Development.

Buono also is active in civic and other organization work. He is chairman of the finance committee, Columbia Association, Department of Correction; past president of the Deputy Warden's Association, Department of Correction; and past president of the Civic Association. He is active in the Community Chest Fund, Boy Scouts of America, and Explorer Scouts. Buono also is a member of the American Legion and the Veterans of Foreign Wars.

STATEMENT OF FRANCIS R. BUONO, NATIONAL COMMANDER OF THE DISABLED AMERICAN VETERANS TO THE COMMITTEE ON VETERANS' AFFAIRS, HOUSE OF REPRESENTATIVES, FEBRUARY 8, 1962

Subject: Legislative program of the Disabled American Veterans.

Mr. Chairman and members of the committee:

As the national commander of the Disabled American Veterans, I, Francis R. Buono, wish to thank this committee for the opportunity of appearing here today for the purpose of introducing the legislative program of the Disabled American Veterans and to briefly discuss with you some of the thoughts of our organization on veterans' affairs, and to give you some of the expressions I have received from our members in my travels throughout this great Nation of ours when visiting our chapters and departments. However, may I take a moment to introduce our Washington staff. First I would like to introduce our national director of legislation, Mr. Elmer M. Freudenberger, who has appeared before you on numerous occasions in the past. Next, Mr. Irving Peltz, our national service director, and also our assistant national service director of claims, Mr. Frank G. Wood. The next gentleman is Mr. Pasquale Gervase, our assistant national service director of employment. All are members of the Disabled American Veterans assigned to our national service headquarters in Washington and they are available for consultation on problems concerning legislation, claims and employment matters affecting veterans and their dependents.

This week we are holding our annual conference of department commanders and adjutants here in Washington, as well as the winter meeting of our national executive committee. I would like to ask all of these State and national officers to stand at once rather than taking time for individual introductions.

As the national commander of the Disabled American Veterans, I approach this meeting with a sense of grave responsibility. This feeling comes to me as I reflect upon the visits I have made to the "grass roots membership" of our organization throughout the country. This enabled me to gain an insight into the fears and feelings of frustration in the minds and hearts of so many of our members. My feelings of responsibility are magnified in the knowledge that the more than 209,000 members of our organization actually reflect the problems, feelings, and emotions of more than 2 million disabled veterans in this land. My

statement this morning is therefore more than just a personal presentation, but rather a reflection of what I have heard, what I've seen, and what I've felt as a result of my contacts. Much of what I have heard and what I convey to you this morning is the result of the feelings of so very many of our disabled members in their keen disappointment over the events occurring to our compensation increase bill in the closing days of Congress in 1961.

There is more involved than just the matter of an increase. The 50 cents a month or even \$20 per month that might have resulted in the passage of the compensation increase bill has become less important than the feeling that the cause of the disabled veteran in this land of ours is less important in the eyes of some than it was during the days immediately after the war. But the philosophy of compensating veterans is the same today as it was when first set forth by George Washington. There is more involved here than simply giving lip service to a group of men and women who were unfortunate enough to have been disabled. The whole economy of the Nation is involved. As an economic principle, it is imperative that the largest number of people possible, approach in purchasing power, the normal standard of living set by the economy of a nation. If a large segment of the population of any society is unable to maintain the standard of living enjoyed by the great majority, this minority will drag down those standards with the result that eventually all of the people will share the poverty brought about by an imprudent economy that fails to recognize the needs of all the people. The whole theory of compensation should be viewed from the principle that it is wise economy to provide for those who are totally unable to work and to partially provide for those who have lost a portion of the ability to maintain a standard of living they might have achieved were it not for the physical disability acquired by service to the Nation.

It was appalling to the members of our organization to know that while our legislation was not passed, at the same time \$4 billion in foreign aid was granted to aid other countries and other peoples, including nations we had defeated in World War II. In retrospect, we wonder if the fates of war had been unkind to us and if we had been the vanquished instead of the victor, if the Axis Powers and the Communist powers would have given us in the United States billions of dollars in foreign aid? While we in the Disabled American Veterans are fully aware of the need for the foreign aid program particularly as a measure to fight communism and maintain the peace of the world, we cannot help but inquire if we might not also be entitled to consideration in our fight to provide for our service-connected wartime disabled veterans, a life with dignity and security, free from the fear of poverty, and conducive to a feeling of pride, as well as recognition for services rendered to a grateful American Nation.

We note with considerable dismay the tendency on the part of some to infuse into the structure of compensation, some of the principles of pension and to attempt to base compensation more and more upon the need theory inherent in the philosophy of pension. The application of the need theory to the principles of compensation is, in our opinion, completely repugnant to the whole philosophy and ideal of compensating a person for a disability incurred in the service of the people of this Nation. The need theory takes into consideration only the immediate situation, but does not encompass the broader aspect of disability. Disability has three major aspects:

(1) There is the immediate effect upon the individual; (2) there is the effect of the condition on securing employment and in job

retention, and also in job advancement; (3) there is the effect of the disability upon the vocational longevity of the disabled person.

The first two principles are self-evident and we do not feel it necessary to elaborate on them except to state that they are so elementary to the whole concept of compensation that it should be readily discernible that to modify or dilute these principles is to cause irreparable damage to the entire theory. The third item, however, is one that has never been properly explored and we feel it is timely to consider this problem. We can see this problem in better perspective today because the World War II veteran is now facing the fact that his disabilities are becoming increasingly noticeable to him as he grows older. Thus we see the paraplegic, who used to pose for pictures and even was seen in motion pictures, hopping into his car from his wheelchair and performing many amazing feats with and in spite of his disability, having to decrease his activities and in many cases give up his vocational life. With the aging process, man's disabilities acquired through his lifetime become more and more prominent in his ability to work and to perform functions which others at the same age are able to perform. The total effect, then, of disability, is that it does sometimes dramatically curtail and shorten the disabled person's vocational life. The need theory does not take this into consideration. The income that one receives from compensation from the Veterans' Administration can, to a degree, take up the slack in lost earning power, make up for lost earnings due to disablement, and aid in planning for a premature retirement age brought about from the rigors of disability. Who can tell how long the individual who is disabled is going to be able to work? This cannot be answered precisely in each case, but we do know that the more severe the disability, the more drastic will be the reduction in the number of years employment may be maintained. We therefore denounce the need theory as entirely unrealistic, calculated to limit consideration of the disability to the present only, with no thought to the future problems inherent in all disability factors. Economically, the disabled veteran has become adjusted to the role of compensation which we have tried to keep on a par with living conditions to the extent that with what he is able to earn in wages coupled with his compensation, he is able to be in a position where he has some degree of security for himself and his family and some degree of self-respect mentally, spiritually and economically.

In any provision made for general disability compensation increases, we of the Disabled American Veterans continue to believe that an across-the-board percentage increase, using the figure "15 percent" as to all rates, is by far the most equitable and sound solution to this problem. The range provided by this formula would provide, for example, an increase from the present rate of \$19 to \$22 monthly for the 10 percent disabled veteran and from \$225 to \$250 monthly for the 100 percent disabled veteran.

Our national legislative committee, composed of Bill H. Fribley, a past national commander from Kansas as chairman, Bernard O. Killin, of Michigan, and Raymond J. Isley, of Alabama, met in Washington, D.C., with the national commander in November of 1961 and as to the matter of increased compensation it was determined that our legislative program for 1962 would call for a 15-percent across-the-board increase in compensation rates and including the section from our original bill last year on multiple sclerosis, and the section on aid and attendance hospital adjustment. The committee assigned the highest legislative priority to this measure, which has resulted in the drafting of a new bill introduced by your chairman, and now H.R. 9565. We

commend this bill to your early and favorable consideration.

In addition to the compensation increase bill, the national legislative committee of the Disabled American Veterans assigned top priority to other DAV bills. As to those coming within the jurisdiction of this committee, I mention the following:

(1) The dependency allowances for the lower ratings 10 to 40 percent. The pending bill on this is H.R. 882; (2) the bill to freeze the VA rating schedule. The pending bill on this is H.R. 881; (3) Federal reimbursement to State workmen's compensation funds, etc. The pending bill on this is H.R. 871; (4) the bills on statutory awards embodied in pending bills H.R. 846 and H.R. 873. (Passed by House and now in Senate Finance Committee.)

The Disabled American Veterans has never become reconciled to the inequity of excluding dependency allowance to those disabled veterans rated below 50 percent. The veterans rated 10 to 40 percent need this family allowance also. Attention is called to the fact that most of these ratings have been lowered through the years to below 50 percent after review. We shall have more to say on this matter when hearings are held on the specific bills in the field of compensation benefits.

The bill regarding the freezing of the rating schedule is not a new proposal. If enacted, this bill would bring about a stabilization of the present provisions of the schedule and would require future changes to the schedule to be placed in the hands of Congress. The reasons for our position on this subject are numerous and born from our experiences in the past involving scheduled changes working to the detriment of scores of our disabled veterans. The DAV is conducting a survey and study of representative cases and our latest findings will be brought to the attention of this committee prior to further hearings pertinent to the subjects of compensation ratings. I mention this bill to assure this committee that we do regard the measure with great seriousness regardless of how other groups and organizations may feel about it.

The bill regarding Federal reimbursement to State workmen's compensation funds would serve the excellent purpose of encouraging employers to hire disabled veterans knowing that they will not be penalized for their humanity if the disabled employees suffer further injury while on the job. The commendable results achieved through campaigns designed to urge employment to the physically handicapped would be given great impetus through the enactment of H.R. 871, and we strongly recommend that your committee report out this bill.

In the last session of this Congress, your committee did report out and the House passed the two statutory award bills, but the Senate Finance Committee, as on other occasions, tabled these very meritorious bills.

It should be pointed out the establishment of top priority bills in connection with the DAV legislative program does not in any way lessen the interest we have in or in any way detract from the vigor of our efforts in the matter of other legislation pending from the last session or those measures which have been or will be introduced at this session in behalf of our organization. Many of these matters will be referred to specifically at subsequent meetings and hearings to be scheduled by this committee.

For the reasons stated, I will not delve into the very important subject of hospital, medical, and domiciliary care except to state that the DAV believes that the ceiling on hospital beds should be raised from 125,000 to 150,000. We also believe that comprehensive plans should be expedited to care for the aging veterans of our wars. We are aware that your committee reported out and the House

passed House Joint Resolution 73, which is still before the Senate Committee on Labor and Public Welfare.

I must not let this occasion pass without expressing the sincere gratitude of our members to this committee for the interest and sympathy you have always shown to the problems of the disabled veterans. To be sure, 1961 was a disappointing year for us in some respects. The increase in compensation rates still remains an unresolved matter. There are other matters which still must be resolved, but I want each and every member of this committee to know that we do look to this committee with great hope, that the tradition established over the long years by the many wonderful people serving on the committee, toward humane and equitable treatment of the problems of the service-connected wartime disabled veteran, will continue and grow with even greater understanding so that all disabled veterans may walk in dignity and security. We pray that favorable action will be taken by this Congress to show the way to the youth of America, and educate them so the cause, efforts, and sacrifices made by our disabled veterans were not in vain but rather to guarantee their freedom in our American way of life.

May I express to you my great pleasure in being permitted to appear before you this morning. I speak for every officer and member when I convey our sincere good wishes to you and thanks to you for your tireless efforts in behalf of all our war disabled and their families.

We hope to see all of you who can possibly be there at our national service headquarters tonight for a social get-together.

Thank you.

Symposium on Antitrust Law

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Monday, February 12, 1962

Mr. KEFAUVER. Mr. President, it was my privilege to participate in a symposium on antitrust law held by the New York State Bar Association in New York City on January 25, 1962. I ask unanimous consent that a copy of my remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

EXCERPTS OF REMARKS BY SENATOR ESTES KEFAUVER TO THE ANTITRUST SYMPOSIUM OF THE NEW YORK STATE BAR ASSOCIATION, NEW YORK, N.Y., JANUARY 25, 1962

Antitrust law, like every other body of regulatory law, must constantly be re-examined and amended to insure that it is keeping pace with developments in our complex and dynamic economy. Studies have shown that in many ways, our antitrust laws are presently inadequate.

For example, the Department of Justice has long sought the power to obtain information for civil investigations. S. 167, passed by the Senate and now pending before the House as H.R. 6689, will fulfill this need.

The Federal Trade Commission is presently powerless to stop either a corporate merger or price discrimination, no matter how patently unlawful and harmful to competition, until the termination of long and complicated proceedings. The Justice Department

faces a similar problem, especially with respect to scrambled assets in merger cases. I plan to introduce legislation this session which will be designed to remedy this frustration of original congressional intent.

The recent electrical and other price-fixing cases have demonstrated the inadequacy of present sanctions against clearly unlawful conduct. We are presently completing hearings on a series of bills which will not only raise penalties to the level of meaningful deterrence but will also reach top executives who ratify or wrongly fail to halt clearly illegal practices.

Finally, our drug industry hearings have shown the urgent need for introducing some competition into an oligopolistic industry which has used its patent monopolies and irresponsible advertising to keep the prices of indispensable drugs at artificially high levels.

No doubt you are familiar with some or all of these, and my distinguished colleague, Congressman CELLER, will probably discuss many of them in some detail. Today, however, I should like to discuss certain international developments which raise profound and fundamental issues of increasing concern to our policymakers, both in Congress and in the executive.

The successful establishment of the European Common Market may well be the most significant economic and political event of the last decade. A powerful new community is emerging and in order to deal with it we shall need some new thoughts.

Impelled by the vision of a united Europe, the Common Market countries are now engaged in a program of eliminating restrictions on the free flow of goods, services, capital, and labor. So far, they have had remarkable success. The forces of competition so released have made the Common Market a very dynamic economic force, with a faster rate of growth than ours, an enormous internal market with a population roughly equal to ours and a highly efficient export capacity. In these first years, the aggregate trade in and among the member countries has expanded dramatically as has their aggregate gross national product. Imports to the Common Market have also risen. England and many other countries who long stood aloof have been forced either to seek entry and association or be frozen out. It has just been reported that we, too, are negotiating for some form of cooperation with the Common Market; if we fail in these efforts, we risk loss of access to what will probably be the greatest market in the world.

We also risk the loss of something equally significant. The Common Market represents more than simply a great trading area. It can be the foundation for closer political and social ties within the Atlantic community, because, as our national economies become more and more integrated, so will many of our most vital political and social interest, institutions, and policies.

Nor will this integration necessarily be limited to the Atlantic community. The Common Market now has special relationships with some of the new countries in Africa and elsewhere, the so-called associated countries. Other European countries are also seeking some form of association. We must obtain similar benefits for our Latin American friends, and the British will try to do the same for their other commonwealth countries.

We are thus at the threshold of a community of free nations so rich and powerful as to withstand any threat, a community which can serve as an example to the uncommitted world of how freemen can solve the fundamental problems of economic sustenance, a community which, by its aid and assistance to the poorer countries, can bind them to the free world by the ties of common economic and social interests.

What has all this to do with a legislative antitrust program? Simply this: the underlying principle of the Common Market is free competition. The elimination of tariffs, quotas and various forms of discrimination, the removal of restrictions on the free flow of labor and capital—all these reflect a recognition that the bracing wind of competition is the most effective device for stimulating growth.

The Europeans have recognized, moreover, that the removal of publicly imposed restrictions on competition is only part of the task. They have come to realize that private groups must be prevented from replacing the soon to be abolished tariffs and quotas with private restrictions like price fixing, market sharing and other anticompetitive devices. As the Action Committee for a United States of Europe, headed by Jean Monnet, said in July 1960:

"The firm application of a European antitrust law is essential in order to ensure that all consumers and producers alike enjoy the benefits of the vast single market. The large number of agreements and concentrations envisaged or concluded as part of the producers' reaction to the Common Market underline the risk that it will be dominated and divided by monopolies and cartels."

It can thus no longer be argued that antitrust is a purely American aberration, rejected by public and private interests everywhere else, and a hindrance to American foreign trade. The philosophy underlying our Sherman and Clayton Acts is now reflected to varying extents in every European country and in the supranational bodies. Thus, the Rome Treaty which established the Common Market contains antitrust sections which have just been implemented this past December by supplementary regulations. The Coal and Steel Community Treaty and the Euratom Agreement also contain antitrust provisions. In the last 5 to 10 years, almost every Western country has either adopted or strengthened its national laws against restraints on competition.

These European antitrust laws are, as could be expected, extremely diverse. In the first place, in the Common Market itself, there are overall Common Market treaty provisions as well as national legislation to implement these treaty provisions. Some of these national laws stress prohibitory measures designed to prevent unfair trade practices. Others focus on registration procedures, designed to publicize and control restrictive practices. Few are designed to halt mergers although almost all seek to regulate abusive practices by dominant enterprises. Violations are more severely punished than here, for in the Common Market fines can run to a million dollars, and under the proposed Italian law, it will be possible to suspend officials of guilty companies. Of great significance is the fact that the Common Market legislation, like all other antitrust laws including our own Webb-Pomerene Act, exempt restraints limited to export trade.

It is still too early to appraise the impact and effectiveness of these new antitrust laws. The English legislation seems to have been remarkably effective in bringing to light and breaking up many price fixing and other restrictive arrangements.

On the other hand, the Coal and Steel Community seems to have run into great difficulty in trying to enforce competition and deconcentration in the coal and steel industry. And it is certainly too early to assess the impact of these laws on the attitudes of European businessmen who, long accustomed to cartels and cooperation, may be slow to change their habits. Indeed, our recent electrical equipment cases show that anticompetitive attitudes still persist in this country despite the passage of some 70 years since enactment of the Sherman Act.

Naturally, these developments also raise problems for American businessmen trading with and investing in Europe. For one thing, the very diversity of the legislation raises a host of potential conflict-of-laws problems. The old controversy about extra-territorial application of American and other antitrust laws is one facet of these problems, for many of the European antitrust statutes apply to agreements made outside their territory which affect the domestic market, or in which one or more of the participants does some business locally. As a matter of fact, it is now quite clear that those who have sought to restrict application of our antitrust laws to acts within the United States were seeking to limit our laws in a way that few nations have done, and without any support in international law. The possibility of jurisdictional conflicts, will, however, require some means for their resolution; the recent GATT resolution calling for consultations between governments affected by restricted practices may point the way.

It is vitally important that we cooperate with and further the effective operation of these new antitrust laws. We must not permit European and world trade to again become cartelized, and thereby lose the many benefits to consumers and producers of freer world trade. For example, it was not until European cars became more freely available that the American consumer was able to force our concentrated automobile industry to produce a small economical car. As a matter of fact, freely available imports may be one of the few effective ways to introduce competition and lower prices into some of our concentrated industries.

Moreover, a cartelized world will lend force to Soviet charges of Western monopoly capitalism, and these charges will find fertile ground among the poorer countries, because it is they who will probably be the prime victims of such cartels.

We must therefore take steps now to study these matters and coordinate our antitrust efforts with those of other free countries to further international competition. For one thing, we and the other countries should reexamine the wisdom of exemptions from our antitrust laws for export trade. Following the example of our Webb-Pomerene Act, the European countries seem to be adopting a narrow mercantilistic attitude that they have no concern with restrictive practices adversely affecting foreign markets. Whereas competition is to be the rule in the home market, cartel practices are permitted insofar as export trade is concerned. This attitude is dangerously out of date, for, as our economies become more and more interdependent, the differences between internal and external trade will diminish. Unless steps are taken to reverse this archaic approach, we may be faced with trade wars and discrimination which will seriously impede the healthy development of our overall economy. Efforts were made during the first postwar decade in the U.N. and elsewhere to obtain an international convention on such international practices. The time may now be ripe for a successful renewal of such efforts, perhaps through GATT, perhaps through the U.N.

Other areas we might reexamine are the wisdom of our own antidumping legislation, first enacted in 1921 and now possibly outmoded in its present form. We should try to coordinate this legislation with the recent European provisions.

We should also reconsider and reject such policies as are reflected in the pirated drug rider tacked on to last year's foreign aid bill, whereby we eliminate any chance of competition where patent monopolies are concerned. Other import and export restrictions also deserve scrutiny in the light of the developments in the last 10 years.

Our subcommittee plans an inquiry this year into the recent antitrust developments in the Common Market in order to obtain

some guidance for the furtherance of American public and private interests in the years to come.

We are on the threshold of a great challenge and a great opportunity. We are now in a world economy where foreign trade is a vital element of our political and economic well-being. We must therefore do all in our power to encourage the formation of a great and free community of trading nations which will be free not only of such public impediments as tariffs and quotas but also from private restraints. We cannot afford to do a partial job.

Address by Senator Kefauver Before League of Women Voters

EXTENSION OF REMARKS

OF

HON. ALBERT GORE

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Monday, February 12, 1962

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a very able address by my colleague from Tennessee [Mr. KEFAUVER], delivered before a meeting of the League of Women Voters at Nashville, Tenn., January 19, 1962.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM REMARKS OF SENATOR ESTES KEFAUVER, OF TENNESSEE, BEFORE LEAGUE OF WOMEN VOTERS, NASHVILLE, TENN., FRIDAY, JANUARY 19, 1962

In the fall, I was privileged to visit Western Europe as chairman of the U.S. delegation to the NATO Parliamentarians Conference in Paris. This was the seventh such Conference to be held and the fifth I have attended as a delegate.

The NATO parliamentarians are a voluntary body of elected lawmakers from the 15 NATO countries. Each year we meet for 1 week to consider new ways to unify, strengthen and expand the free world against the Communist menace. This year I found an electric excitement among European delegates about the future role of the United States in the community of North Atlantic nations.

Although they are still concerned about our steadfastness to the NATO military alliance, they are becoming more interested in our response to the economic revolution which is now sweeping free Europe. The European Common Market may well be the most significant event of this century. Nations which have been bitter enemies for centuries are now discussing a common currency—and the English are even thinking about abandoning their tradition of driving their cars on the left-hand side of the road.

A brief look back over the years since World War II may help explain why our European friends are so anxious about the course of our foreign economic policy—and why we are rapidly approaching a rendezvous with the destiny of the Western World.

When the war ended, the economies of Western Europe were shattered and some of our allies were threatened with economic bankruptcy. By contrast, our economy was secure. We were the only Nation with sufficient international credit to continue to trade. Our friends had nothing to sell and no credit with which to buy our goods. They needed help and we needed them—both as allies in the cold war and as markets for goods produced in our postwar economy.

These nations were turning to currency and exchange restrictions and other artificial devices which might strengthen their domestic economies but which impeded international trade. Our response was the Marshall plan, one of our truly outstanding expressions of responsibility for the needs of fellow freemen. By helping these nations rebuild their economies, we also continued advantages which the United States had enjoyed through the existence in Western Europe of a large market with low-trade barriers.

At the same time, the Soviet Union was repudiating its wartime pledges to the allies and lowering the Iron Curtain between East and West, thereby setting off the international tensions which persist today. The Atlantic community's unified answer to this threat was NATO, the free world's most effective shield against Communist enslavement. It was the military counterpart to the Marshall plan's economic effect.

The cold war years which followed saw vast changes within this Atlantic community. Western European recovery so exceeded expectations that instead of our being Europe's protector, the United States and free Europe are fast becoming competitors, both in their domestic markets and in our markets here at home. The Common Market is the climax of this achievement of economic stability and vigor in Western Europe. It was formed in 1957 by Belgium, France, Italy, Luxembourg, the Netherlands, and West Germany.

Although they call themselves the European Economic Community, these separate nations are really becoming a sort of United States of Europe for trade and economic purposes. Their ultimate goal is the total elimination of all tariff barriers among the participating countries while maintaining a uniform tariff wall against outsiders. Goods, capital, labor, and tourists will move between these countries as freely as they do among the States of our own Union.

In moving toward these goals, the Common Market has surpassed its own timetables. At the end of 1961, internal tariffs had been cut 30 percent and another cut of 10 percent had been agreed for January of this year. A still further 10-percent cut is under discussion for early 1962. Originally, it had not been thought that their uniform external tariff could be established until 1966, but it now appears that this wall against outsiders may be thrown up in 1963. Their separate outside tariffs have already been adjusted some to bring them nearer to uniformity.

The results to date of this unprecedented step are astonishing. The Common Market countries have increased their trade with each other by 44 percent and their world trade by 20 percent. They have worked against old national rivalries and suspicions and the influence of colonialists, cartels, and political feudalists. Despite these handicaps, they are creating a consumer-oriented, competitive enterprise, free continental market in the pattern of our own American example.

In 1961 they produced 4 million automobiles, 75 million tons of steel, and 250 billion kilowatt-hours of electric power. Their gross annual product now exceeds \$180 billion and accounts for almost one-fourth of world imports.

Perhaps the greatest proof of the Common Market's success came in July of last year when Great Britain abandoned its proud separation from the Continent and applied for membership. With Britain as a partner, the Common Market's population will exceed 220 million people, its gross annual product will rise to \$245 billion, and it will account for more than one-third of world imports.

Denmark and Ireland have also applied for membership and Norway has it under consideration. Switzerland, Austria, Sweden, Greece, Turkey, and Israel have begun moves

to become a part of this regional economic community. It is estimated that by 1970 the Common Market will become a single economic unit of 300 million people, compared with 215 million in the Soviet Union and 185 million in the United States.

These facts pose implications for us as a nation which cannot be ignored. If we face reality and do not sell short our faith in America and the cause of freedom, the Common Market can become a blessing for us and for all freemen.

In 1952 Joseph Stalin predicted to a Moscow conference that the Communists would win the world peaceably through overwhelming trade agreements. He viewed West Germany and Japan as the keys to this and forecast that the West would greedily hamper their foreign trade and drive them to the Soviet orbit.

Khrushchev has spoken more recently of burying capitalism and declaring war on us in the field of trade. But Khrushchev's threat did not consider that the Western democracies might unite to confront communism with a joint economic front. His prophesy is becoming a desperate, wishful hope. I think he was trying to cover up the handwriting he could read on the wall.

The course of these great historic events has led the United States to a year of decision in 1962. Many of our people are frustrated and worried as they survey the world fronts of the battle between communism and freedom. Berlin is tense and unsettled. The uncertain Congo divides us at home. Vietnam and Laos are insecure. The United Nations is in a period of crisis.

But I believe all these sore spots can be overshadowed by the opportunities which are opening to us on the greater battlefield of world trade. Here we can seize the initiative. We can build a free world strength and unity which the Communists cannot combat.

A great step forward in trade is more than a chance to deal communism a body blow. It can be the breakthrough which brings greater prosperity to all freemen everywhere.

Freedom of trade and commerce welded our separate States into the greater productive machine the world has seen. The same principle among the nations of the Common Market is now moving their economy ahead at a growth rate twice as great as ours. This principle can be further extended to build economic strength and unity in the free world.

This obviously involves relaxation of tariff barriers. Internal tariffs among our States would have made America as we know it impossible—just as Europe's old internal tariffs were obstacles to the prosperity it is beginning to enjoy. In the same way, tariffs can be barriers to the peace and prosperity of the entire community of free nations.

President Kennedy is urging that the Congress enact a trade program under which the United States can seize the initiative and lead the Western World into a great new era. In this I wholeheartedly support him.

Our present reciprocal trade laws expire in 1962 and must be rewritten by this session of the Congress. At the least we must give the President the tools he needs to negotiate effectively with the Common Market and create a strong trading partnership across the Atlantic. This will require the authority to eliminate or reduce tariffs on broad scales in across-the-board bargaining with the Common Market nations as a unit.

The temptation will be great for our European friends to guard their gains and protect their expanding consumer markets from American competition. They can now offer to their own people the benefits of mass production in a competitive economy. We must set the example and take the lead in offering progress, not retreat, in the face of new challenges and opportunities.

What are the alternatives if we reject this opportunity and revert to economic isolationism?

First of all we may see ourselves cut off from trading with our principal allies. Our exports to the Common Market countries in 1960 amounted to \$3.4 billion, an increase of more than \$1 billion since 1958; our imports were much less. If we lose access to these expanding consumer markets, not only will our industries suffer, but some may choose to move plants and capital inside the walls of the Common Market, with the resulting loss of jobs and income here in the United States.

If we fail to keep up our exports, we will cause a renewed squeeze on our balance of payments with threats to our gold reserves and the stability of the dollar. This could in turn require a retreat from some of our vital overseas military and aid commitments.

Of greater concern is the possibility that the Common Market could become our competitor instead of our ally. With mass of industrial and consumer goods, Europe might be drawn into a trade war with America for the markets and raw materials of the world. Europe organized economically without the United States could become a Europe organized against the United States.

Nothing could please Khrushchev more than to see trade barriers crack the historic unity of Western civilization and its united efforts in behalf of freedom and free institutions. By the same token, nothing will dismay the Kremlin more than a united free Europe with strong economic links with the United States.

The success of such a combination would demonstrate conclusively the superiority of democratic capitalism over communism and would lay to rest Karl Marx's prediction that capitalism would destroy itself.

The flexibility of Western capitalism and its capacity to adapt to changed conditions would mock Communist comparisons. The prosperity of an economic community of all the Atlantic nations would be a great magnetic force which could, and I think will, pull satellite nations out of the Soviet orbit.

Protectionism has never made sense in terms of the welfare of the Nation as a whole. Time and again we have allowed protective tariffs to sacrifice the interests of the whole people to the demands of a few. Free competition within our country benefits the consumer by improved technology and lower prices. It can have the same effects in the long run in foreign trade.

A freer trade policy can stimulate a nation's economy by causing it to produce those things which it produces best. Competition from imports may increase productivity and iron out stagnant or inefficient pockets in a nation's economy.

Look at the healthy effect foreign imports had on American tastes in automobiles. And look, too, at the successful transition which our auto manufacturers made to smaller, more economic cars to compete with these foreign imports.

I do not say that building the trade partnership which we must build within the free world will be easy. The transition may be hard. To compete successfully with foreign products we must produce quality and we must sell at prices which may require discipline and restraint in both profits and wages.

Nor do I say that this can be accomplished overnight. It is a complex problem. I appreciate the position of the man who fears he may go out of business, or the worker who fears he may lose his job because of competition with foreign imports. Any program must consider them and treat them fairly.

Any liberalized trade legislation should include trade adjustment features which will aid those businesses, communities, and workers who suffer hardship as a result of import competition. The President's program con-

tains such features and you can be assured that the Congress will look at them closely.

Our new trade offensive will be launched in the national interest—to deal with national problems. Any displacement of plants and jobs and special hardships which it causes should also be treated as a national problem.

Where the change hits hardest—from the point of view of employer and employee alike—there is no question that we must devise adequate means to make the transition fair.

But I do not believe we should let special interests stand in the way of the ultimate accomplishment of something so vital and beneficial to our people as a whole. We must never forget that uniting the economic strength of the free world may well be a question of survival.

The unenlightened protectionist, who is not willing to work with this serious question might unwittingly find himself in the position of making Marx and Stalin prophets and Khrushchev a conqueror. For if sight of the vital goal is lost, then we could find ourselves with nothing left to protect.

If we lose the entire free competitive enterprise system, we lose everything—not only those few protected jobs and companies—but every job and company and our freedoms, too. Restrictive tariff protection could be a tragic Trojan horse which our enemies would be delighted to leave within our gates.

The economic isolationism of the twenties led us to raise tariffs in 1930 on the pretext of helping our jobless. We then saw other countries' tariffs raised in retaliation with disastrous results for all countries. It was the great Cordell Hull who then led the United States and the world to new economic frontiers with our first Reciprocal Trade Agreements Act.

If he were alive today, I have no doubt that he too would enthusiastically support the President's efforts.

The trade debate of 1962 promises to compare with the historic tariff debates of the early 19th century. It will be difficult and probably bitter, but it deserves the open-minded attention of all of us. I hope business, farm, labor, and civic groups will all give it full consideration and aid the Congress with informed and objective viewpoints.

The League of Women Voters has published some excellent material and is doing a fine job of presenting these issues impartially and educating the public to the issues in foreign trade. I hope other groups will follow your example.

We must again capture the vision of Cordell Hull and move with giant steps as he did. If we do, we will meet the responsibilities of the United States in a free world, we will deal our enemies a death blow, and we will herald a new era of peace and prosperity for all men.

Meeting Freedom's Challenge

EXTENSION OF REMARKS

OF

HON. WILLIAM B. WIDNALL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 12, 1962

Mr. WIDNALL. Mr. Speaker, last year on October 14, 1961, a richly deserved recognition was awarded to our colleague Representative FRANK C. OSMERS, JR., of the Ninth District of New Jersey. On that date he received the

honorary degree of doctor of laws from Fairleigh Dickinson University.

FRANK OSMERS has all his life displayed his ability as a very effective leader. He has unstintingly served his community, his State, and his Nation in many elective and appointive capacities. In addition to his many outstanding contributions to good government, he served with distinction in action during World War II. Many do not know that he left the 77th Congress the day war was declared to enlist as a private in the Army, where he remained on active duty until February 22, 1946. At the time of his release he had achieved the rank of major of infantry.

The honor conferred upon our colleague was well deserved. At the time the honorary degree was bestowed, he delivered a fine address entitled "Meeting Freedom's Challenge." In emphasizing the absolute necessity for our people to rededicate themselves "to that faith and to those ideals that brought freedom and democracy into existence," he called attention to the weakening of America by the pursuit of material things. In his talk he quoted a statement from the letters of Theodore Roosevelt:

The things that will destroy America are prosperity at any price, peace at any price, safety first instead of duty first, and love of soft living and the get-rich-quick theory of life.

The timely message that Representative OSMERS delivered should be read by all. Under leave to extend my remarks, this message is included in the RECORD:

MEETING FREEDOM'S CHALLENGE

Mr. President, members of the faculty, students, and distinguished guests, Fairleigh Dickinson University has given me a great honor, indeed. To become an adopted son of this university is for me a great occasion and one I shall cherish throughout my life. I am your grateful debtor for this honor.

I am very proud to be here for, in many ways, Fairleigh Dickinson represents a direct reflection of the growth, vitality and progress of the State of New Jersey and of our beloved country. Within the past decade, the growth and development of this institution have been phenomenal. The rate of progress probably exceeds that of any institution of higher learning in America, the service it renders a great community is second to none, the opportunities it brings are priceless. Such a spectacular growth emphasizes an optimism, a forward look and a faith in the future of America which is encouraging and heartwarming. It augurs well for the future of our democratic institutions and is truly an inspiration to education everywhere.

At the same time, I feel very humble as I receive this high honor from Fairleigh Dickinson and I pledge again, as I have so many times in the past, to give my utmost support to the cause of education and the progress of our educational institutions in this State and in the entire country. It is a cause in which I firmly believe and for which I have always worked. Let us never forget that liberty and learning must lean on each other for their mutual and surest support. If liberty is denied then learning is restricted and narrowed and if learning is denied, then liberty loses the means to defend itself or to increase its scope and promise.

Education in America today has many problems. Our country has many problems. We face a changing world.

We live in a world where the amount and quality of education and understanding

may well determine whether democracy will survive or perish.

We must provide for the growth and well-being of an expanding economy, secure and train the necessary manpower for a world of advancing technology. We must insure new avenues of communication and understanding. Much of this responsibility rests to a large degree on our colleges and universities. They will not be found wanting. But make no mistake, meeting freedom's challenge is not just a task for educators. It is a job for every man and woman in this country. You, me, the fellow next door.

It is the challenge to freemen to maintain, protect and enhance the dignity and worth of the individual to increase the concept, the meaning, the understanding and the application of freedom to guard and protect the American way of life and to insure the growth of the spirit of man as he reaches for the stars.

In a material, down-to-earth sense the protection of our freedom is a manpower problem. In a word, we are outnumbered. We simply do not have the manpower that the totalitarian nations have. We cannot compete in numerical strength with the hordes that temporarily swept back the forces of freedom in Korea or overpowered our allies in Indochina, nor can we build our fortifications on the backs of coolie labor, nor would we even wish to do so.

We hear much these days about the increase in population. But the growth of population does not mean that we will automatically have a labor force that is adequate to all the Nation's needs in the years ahead. In 1940 we were a nation of 132 million. Today we have reached 170 million. By 1980, it is expected that our population will have grown to 250 million. But these figures bear a little study.

The fact is, the population explosion is largely centered in the groups at either end of the age scale—among the young and old. The number of people in the prime working years has remained relatively constant and will for the next 20 years.

Thus, by 1980, when our total population will have risen to the tremendous total of 250 million, we will have fewer people in the most productive bracket (40-50) than we have today.

Not only that, but our younger workers will be living and working in an increasingly complex and technical world. They will be responsible for the future productive balance, for progressively high standards of performance, and much of the leadership that this Nation and the entire free world will so greatly need.

This lack of raw manpower can only be counterbalanced by a determination to train and make available the skilled manpower which is the basic fruit of freedom. The needs of the future demand that every facet of our educational system must provide more rigorous training and demand higher levels of achievement and excellence. Unless we have the fullest possible development of the Nation's fundamental resources in the years ahead, we will indeed be in desperate danger.

Probably an even more important part of the challenge to freemen, is the necessity for rededication to that faith and to those ideals which brought freedom and democracy into existence—those essential character qualities that make a nation strong. Paradoxically the very qualities which have made us great have brought us a living that has weakened those qualities. We are called the affluent nation. We have more money, more prosperity, and more of the good things of life than any nation on earth. In possession of these material things, have we, perhaps, lost some of our respect for hard work, thrift, sacrifice, devotion to duty, and loyalty to common good? These are strengths which we must recapture in order to hold fast our freedom.

Recently I read from the letters of Theodore Roosevelt a statement that ought to be imprinted in the mind of every American today.

He said: "The things that will destroy America are prosperity at any price, peace at any price, safety first instead of duty first, and love of soft living and the get-rich-quick theory of life."

The challenge of freedom has another front—a world front. We seek freedom not only for ourselves but for all men everywhere. But despite all we have attempted to do we have, somehow failed to communicate with them.

The true image of America is being grossly distorted in critical areas around the world. This is more than unfortunate in these crucial times; it is a serious threat. We have seen the resulting damage in the neutral countries, even in friendly nations, and certainly among the undeclared peoples. Our motives are twisted by vicious propaganda and we are made to appear as a rich and grasping nation, concerned only with our own selfish advantage. We see the evil effects of lack of understanding even in the shadow of our own coastline. It would indeed be a cruel turn of events if a generous people should lose because of their failure to adequately communicate the meaning of freedom. It would be a dangerous turn if we should fail to interpret the blessings of democracy and thus lose potential friends to a contrary way of life and find ourselves exposed and alone.

Our failure to enunciate clearly the meaning of democracy is not only a failure in communication but in understanding. Loyalty and love can't be bought. We have learned that lesson the hard way.

New technology has made it possible for us to communicate in many new ways, to inform, unify or divide our world as never before, but wonderful as the new technology tools may be, they are still only tools of transmittal. We must remember that the most marvelous media can communicate no more and no less than a man can feel and express and impart from the mind and the heart and the soul.

Though the transmittal be orbited through space to impinge upon this and other worlds for the rest of time, what still really counts is the substance of the message

and its applicability and meaning to those for whom it is intended. And the substance depends upon the real meaning of freedom.

It is the substance that we must communicate to all the world. It is this substance which must be the warp and woof of all our education.

This is freedom's challenge to all of us. How shall we meet it?

1. We can meet it by increasing our education for democratic citizenship and in saying this I give much credit to Fairleigh Dickinson for the programs already in operation on every one of your campuses. The extension work you are carrying on, the evening school programs, the off-campus activities, the reexamination and reorientation of your entrance requirements, the sharpening of your curricula, the adult education programs, and your ability to fit into the communities you serve—all of these heart-warming activities bespeak your interest and understanding.

2. It is important that all our citizens gain new understanding of the meaning of democracy and liberty and freedom. Active participation in public affairs can no longer be left to the few. The right to vote is not only a privilege; it is an obligation. The duty of keeping informed is no longer a duty but a necessity. The study of government can no longer be confined to the pages of a textbook—it is a way of life.

3. We can meet the challenge of freedom with an old-fashioned rededication to the virtues which inspired that freedom.

4. We must educate for more efficient and effective manpower. Our present waste of human resources must be stopped. We must educate for the pursuit of excellence by building an educational program that will discover and encourage the abilities and potentialities of every single individual.

We must educate for greater understanding among all peoples. Education must challenge our own young people with an idealism, a feeling of mission, a better understanding of themselves and the world in which they live, and appreciation of the brotherhood of man and a realization of the power and the glory of a working democracy.

But we must export this education (and import a bit of it, as well) by the exchange of teachers and students with foreign countries, by the establishment of branch universities in other lands, by informational centers, by all the ingenuity at our command.

Such an educational program is now in operation and a number of governmental agencies have the responsibility to speed its progress. But the program cannot be entirely a governmental responsibility. Its success will depend in great measure upon the initiative, the resourcefulness, the ability, and the understanding of the individuals of our great foundations, of religious and social organizations, of educational institutions, of schools and colleges, and faculties and individual teachers. Only thus can success be assured. Only thus can we fully meet the challenge, the obligation, and the responsibility that freemen must meet, if freedom is to prevail.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 15, 1962

The House met at 12 o'clock noon.

Rev. Dr. Joseph Vaskas, Marian Hills Seminary, Clarendon Hills, Ill., offered the following prayer:

In the name of the Father and of the Son and of the Holy Ghost. Amen.

Almighty and merciful God, we adore Thee and we thank Thee for Thy loving providence, which from all eternity hath

predestined this continent to be discovered by Western man only as recently as 1492 in order that it become a haven and a home for the oppressed and persecuted peoples of the world. We thank Thee for having enriched it so prodigally with the goods of this earth, that, according to Thine own example and precept, we are now able to help and succor the needy of the world from our own superabundant stores. We thank Thee for having given our forefathers a living faith, so deeprooted, vigorous, and unequivocal, they caused to have engraved

on the metal of our coins the inscription: "In God We Trust." We thank Thee for the farsighted wisdom and prudence of the Founding Fathers of our Republic, who gave us a Constitution, the principles of which are but the eternal law as applied to the organization and administration of a free and ordered society of men. In Thy provident wisdom, Thou hast permitted the people of this Republic, strong in their faith in Thee and in the spiritual, cultural, and material wealth with which Thou hast deigned to bless them, to emerge today as the most powerful